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CENTRAL EURASIA



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Agreement Between Russian, Ukrainian Central Banks Hit

Filippov Accuses Gerashchenko of 'Betrayal'

934A0002A Moscow KURANTY in Russian 22 Sep 92 p 4

[Article by Lidiya Malash: "He Is Betraying the Interests of Russia"]

[Text] The meeting of the Non-Governmental Cooperation Council, devoted to the issues of privatization and economic reform, began with a sensational statement by Deputy P. Filippov, chairman of the parliamentary subcommittee for privatization, and experts V. Golubev and G. Tal, to the effect that Chairman of the Central Bank of Russia V. Gerashchenko is "betraying the interests of Russia."

In the words of Filippov, a paradoxical situation existed in the territory of the CIS until 1 July 1992: Fifteen central banks issued noncash rubles independently of one another, trying to outdo one another in pumping funds that were not supported by goods into the national economy. Through a large emission of credit, Ukraine managed to "draw" a spare 160 billion rubles [R]. This money was mainly used to pay for goods delivered from Russia to Ukraine. Nonetheless, Russian enterprises ended up owing about R80 billion worth of goods to Ukrainian enterprises (the "drawn" funds were used for prepayment).

Russia, as the largest republic in the CIS, was not interested in inflating noncash emission, as inflation deals it the greatest blow. This is precisely why President B. Yeltsin issued, on 21 June, the edict "On Measures to Protect the Monetary System of the Russian Federation," which essentially made the ruble a national currency. All settlements between Russian enterprises and those from other states of the CIS were to be effected through other correspondent accounts of the republics at central banks. In the process, the total exchange of goods and funds should be balanced.

The new procedure facilitated financial stabilization in our republic, but it hampered the operation of Russian enterprises somewhat, because they were frequently unable to collect funds from customers in nearby foreign countries just because the quota for mutual settlements between republics was depleted. P. Filippov does not consider it surprising that the enterprises brought powerful pressure to bear on the bank, demanding that enterprises from other republics of the CIS also be included in the system of retiring mutual nonpayments.

On 10 September, V. Fokin, chairman of the government of Ukraine, and V. Getman, governor of the National Bank of Ukraine, arrived in Moscow in order to ensure that Russia would lift the established restrictions on mutual payments and to obtain a quota for clearing credit amounting to R300 billion. During the negotiations, Fokin, Getman, and Gerashchenko turned out to be on one side, and Gaydar on the other. Despite the

position of the head of the government of Russia, Gerashchenko signed an agreement which is one-sided as far as our state is concerned. In the opinion of P. Filippov, V. Golubev, and G. Tal, he betrayed the national interests of Russia, sacrificing the financial stabilization of the ruble in favor of the interests of the director lobby. Therefore, a channel was opened for the unhindered outflow of the national wealth of Russia to the republics of the CIS in exchange for noncash rubles "drawn" by the central banks of these republics.

The authors of the statement noted that the chairman of the Central Bank of Russia has an opportunity to extend credit to foreign banks on exceptionally preferential terms and without any restrictions, without the consent of the Supreme Soviet, the president, or the government of Russia. Between 1 July and 1 September alone, R20 billion were provided to Georgia, R5 billion to Azerbaijan, and R40 billion to Belarus. It is possible that, following Ukraine, other republics will also demand that restrictions on the emission of rubles be lifted through a system of mutual settlements for nonpayments by enterprises. In this case, a stream of rubles from abroad, the export of goods in the opposite direction, universal shortages and barter, and ultimately a social explosion lie ahead for Russia.

The parliamentary coalition for reforms, the Democratic Russia movement, and the Republican Party of Russia have called on the Supreme Soviet immediately to consider the issue of the fitness of V. Gerashchenko, acting chairman of the Central Bank of Russia, for the position held.

This statement would have been like dropping a bomb, had a statement by A. Khandruyev, a deputy chairman of the Central Bank of Russia, not extinguished passions to a degree. Having noted at the very beginning that he "is not a man on Gerashchenko's team, but rather a scientist," the deputy chairman communicated that the Central Bank is not at all interested in hyperinflation, because it will strike a most terrifying blow at the banking system of Russia. In Khandruyev's words, the uniform ruble space of the former USSR has fallen apart into 13 different currencies (excluding Latvia and Estonia). Moscow is not transferring funds to Kiev, because everybody has different rubles now. The troubles of Russia are due to the fact that, unlike Ukraine, it does not collect customs statistics. The facts are such, he said, that we indeed owe Ukraine. It is just that credit has now been extended which, in the future, will be recorded as state debt. The negotiations among Fokin, Gaydar, Getman, and Gerashchenko ended in resolving that Ukraine will have a currency of its own.

As far as interrepublic clearance is concerned, it was proposed as a reliable means to settle mutual obligations. The evil genius of Gerashchenko is not to blame for this (if there is blame indeed), but rather Yeltsin's edict on mutual settlements among enterprises. Incidentally, observed Khandruyev, not a single kopek has yet been put into circulation as a result of this clearance.

Having defended the Central Bank and his patron, Khandruyev stated that in Nizhniy Novgorod, a crowd was storming the building of the soviet, which was being defended by two or three OMON [Special Missions Militia Detachments] detachments. The people have but one demand: They do not want snowballing privatization.

Of course, it is stupid to accuse the people of failing to understand the profound processes of economic reform. Who is to blame for the fact that for 70 years the economy benefited only the military-industrial complex? However, in Khandruyev's opinion, the fiscal policy of the state cannot be made the cornerstone of privatization. In essence, the government has stripped the people bare and reduced enterprises to poverty by having increased wholesale prices by a factor of 14 to 18 in the first half of the year alone, and having failed even to introduce an inflation index. The Central Bank is interested in privatization, but on the condition that it is coordinated with structural policy. For now, this is but a dream, because no profound changes in ownership relations are occurring.

With the disclaimer that this was his personal point of view, A. Khandruyev proposed to delineate privatization into "small" and "large." The latter may be postponed for a year or two, and a moratorium on vouchers may be imposed. In his opinion, at present privatization checks may only be an abrupt influence on the growth of prices and inflation. The population cannot be "voucherized" without organizational, technical, and cadre preparations.

During an argument with the representative of the State Committee for the Management of State Property, I. Lipkin, who advocated the concept of privatization as soon as possible, Khandruyev made a brilliant "speech" about the threat of the balkanization of our economy. So-called people's capitalism (group property) ultimately brings about the usual socialist plunder. Unfortunately, Russia does not learn from any foreign experience; it still wants to follow its own path. Khandruyev concluded: "As far as I am concerned, I will be a supporter of the Hungarian version of economics until my dying day."

Sharply worded arguments between the advocates of "moderate" and "snowballing" privatization ended in essentially nothing. As they say, each side was left with its own interests. However, for me personally, a report by V. Silkin, a representative of the Main Control Administration of Russia, became an even more alarming issue than the differences between the Central Bank of Russia and the State Committee for the Management of State Property. It turns out that we do not have techniques to monitor the course of the privatization of land and municipal property. In the local echelon, the people are operating on the basis of "methodological manuals" that are 15 years old. To be sure, auditing companies are trying to do something, but actually they are "outside of the law." Of course, local organs of power are taking advantage of it. Thus, the head of the Krasnodar Kray

administration transferred, by his personal order, two large, federally (!) owned hotel complexes to private structures.

V. Silkin also quoted cases from Moscow. As a result of an illegal decision by G. Popov and Yu. Luzhkov (based on data from the procurator's office), 60 hectares of land in the area of Gagarin Square were transferred to the possession of the Joint Enterprise KNIT [expansion not identified] Kaluzhskaya Zastava for... 99 years. The Land Code was violated.

One more case: The Luzhniki Stadium was transformed into a joint-stock company. However, this was not done by the Moscow Committee for the Management of State Property, as it should have been, but on direct orders of the mayor, dated 23 July of this year. Before this, the government of Moscow had afforded the stadium various preferences. In January, the building housing the figure skating show was put in its jurisdiction; in May, the organization of the operation of a foreign-exchange market was permitted on an experimental basis. R45 million were allocated from the budget of the capital city in order to install seats. In addition, the stadium is exempt from paying the profit tax and the land fee to the budget.

The state controller may be too strict in giving examples of unlawful privatization. Perhaps this is what the local administration should do in order to finally get things moving. Perhaps for as long as there are no regular laws or arrangements for implementing them, we should proceed from the principle of feasibility... I would not take it upon myself to judge. However, one gets the impression that people like us are being fooled, and that ultimately we will arrive at a Latin American scenario, in which connections and money rule supreme, rather than laws and legality, and not at a Balkan scenario.

Kagalovskiy Foresees Hyperinflation

934A0002B Moscow NEZAVISIMAYA GAZETA
in Russian 19 Sep 92 p 2

[Interview with Konstantin Kagalovskiy, permanent representative of the Russian Federation Government for cooperation with international financial organizations, by Dmitriy Ostalskiy, in the "Economy" column; place and date not given: "It Is Not Too Late To Improve the Financial Situation of Russia, Believes Plenipotentiary Representative of the Government Konstantin Kagalovskiy"]

[Text]

[Ostalskiy] Konstantin Kagalovskiy is one of the key figures on Gaydar's team. He still holds the position of the permanent representative of the Russian Federation Government for cooperation with international financial organizations. However, he is awaiting a new appointment: By all signs, he will soon become a director of the International Monetary Fund from the Russian Federation, and he will trade his premises on

Old Square for an office in Washington. For now, he is most concerned about the condition of the Russian finance system, and I believe that his new position is not the least of the reasons for this. He considers the policy of the Russian Federation Central Bank in recent months to have been erroneous and fraught with serious consequences for the entire economy of the country. Nonetheless, he immediately observed that differences between the Central Bank and the government are easy to overcome, and that personally, he cannot imagine the government and the Central Bank failing ultimately to find common ground. On the whole, Kagalovskiy avoided directly criticizing the current head of the Central Bank, Viktor Gerashchenko, in every way possible, stressing all the time that "all of this should be obvious to a professional banker...." Apparently, Kagalovskiy tried to thus stress his diplomatic talents.

[Kagalovskiy] What puts me on my guard? First of all, the growth of prices in the last couple of weeks. As recently as July or even August, the rate of inflation appeared, if you will, to be quite decent: between 7.5 and 9.5 percent, that is to say, under 10 percent, where the government has been trying to contain it throughout these months. However, we are now witnessing an abrupt acceleration of the growth of prices.

This is associated with the weakening of the monetary policy of the Central Bank. In the last two months, the bank has extended R500 billion in credit, whereas R700 billion was planned for the entire second half of the year. That is to say, the Central Bank is clearly overfulfilling the plan. This is inside Russia alone.

Besides, a genuine threat of a ruble invasion from other CIS states has emerged. In its time, the Central Bank put this process in order and implemented a quite effective system for settlements with foreign states, which made it possible to fully control this process and restrict the intake of ruble-denominated funds from abroad. Meanwhile, recently the Central Bank has issued more than R200 billion in credit to various foreign states, including belligerent countries. That is to say, it is understood that some of these funds have been used directly to finance hostilities, including those in Transcaucasia.

This policy runs counter to the national interests of Russia in principle. By extending credit to foreign states, we stimulate the outshipment (in this case, precisely outshipment, rather than exports) of products in short supply beyond the borders of the Russian state. Moreover, the threat emerges of the complete disorganization of this process. Thus, the recently signed agreement between the Central Bank of Russia and the National Bank of Ukraine virtually removes all restrictions on ruble credit to Ukraine.

According to our data, some of the funds come back from these foreign states and are exchanged into freely convertible currency here, in Russia.

[Ostalskiy] Is this an autonomous policy of the Central Bank, or is it being implemented under pressure from, say, the president, who is trying in this manner to improve his relations with another president, that of Ukraine?

[Kagalovskiy] As far as I know, the president has got absolutely nothing to do with this.

[Ostalskiy] What is the way out of the existing situation?

[Kagalovskiy] The exchange rate of the national currency is the obvious criterion of the quality of monetary policy. As is known, it recently fell sharply, to R210 per dollar. It has now stabilized somewhat. Nonetheless, the current rate is an indicator of monetary policy. One can judge by it whether the Central Bank is doing a good job.

It is now absolutely obvious that the exchange rate is substantially lower than the rational level. Under the circumstances, normal economic logic suggests the following measure: to sharply increase the rate of interest on loans, to increase it by 30 to 50 percent. If this does not happen, the consequences of such monetary policy are obvious. This means hyperinflation over five to six months. In turn, the political consequences of hyperinflation in our unique country are likewise obvious: the revival of the Communist movement, which, as a rule, plunges the country into long-term stagnation.

[Ostalskiy] Judging by all statements by the leaders of the Central Bank, this is a deliberate policy of the latter. Where is its logic? Could the Central Bank be openly trying to destabilize the national currency, and consequently, the entire economy, still further?

[Kagalovskiy] I think that the Central Bank does not have any destructive objectives. These are purely economic mistakes. They are associated with the misconception that economic growth may be stimulated through the extension of bank credit. Actually, it is not so.

[Ostalskiy] However, some people from Gerashchenko's entourage maintain that hyperinflation is normal, and that there is nothing terrible about it...

[Kagalovskiy] I have not heard such statements, and I do not rule out that there are misunderstandings or distortions involved. This is clearly a mistake. A central bank will never say that hyperinflation is great. As I see it, the development of hyperinflation should categorically not be permitted; the government will spare no effort to see that this does not happen.

Of course, I understand that the Central Bank is under certain political pressure from various interested groups and various lobbies. I see a simple political solution to this. The Central Bank should be removed from the

jurisdiction of the parliament and placed directly under the president, in order to protect the bank against various influences.

[Ostalskiy] What can you say about proposals to give up the uniform exchange rate of the ruble, which originate with the management of the Central Bank?

[Kagalovskiy] The introduction of a uniform exchange rate of the ruble was one of the reasons for the success of monetary policy in June. Actually, this is the cornerstone of economic reform. This is why talk about possibly abandoning the uniform rate and introducing some additional, "correct" rates, which started recently, is a tremendous step backward, a declaration of war on the economic reform. I do not treat such talk seriously. It is impossible to give up the policy of the uniform rate. I believe that this would amount to an economic and political defeat for the reformers.

[Ostalskiy] Fine. Let us say that the government and the management of the Central Bank have somewhat different assessments. However, is there any interaction between them, at least at the level of regular consultations?

[Kagalovskiy] Naturally. The government discusses, so to say, some details with the Central Bank. For its part, the government intends to make the credit policy sharply stricter. We permitted what is absolutely impermissible—the weakening of monetary, credit, and finance policy. This cannot go on anymore.

[Ostalskiy] However, if the government makes the policy stricter with regard to everything under its control, whereas the Central Bank continues to relax it...

[Kagalovskiy] I think that, given appropriate political conditions, the Central Bank is capable of substantially ameliorating the situation within a very short period of time, taking into account the supreme professionalism of its management. The government is prepared to assist the Central Bank as much as possible.

[Ostalskiy] Precisely within a very short period of time? Nothing has been lost yet?

[Kagalovskiy] The reform itself has not suffered yet. The process of privatization is advancing quite successfully (I must tell you that Moscow is not at all indicative in this matter). The process of changes in the structure of property is accelerating and becoming irreversible, regardless of all the criticism which the State Committee for the Management of State Property, and the system of voucher distribution developed by it, have drawn.

As far as the current rate of exchange is concerned, I will stress yet again that it is necessary to change policy rather than to influence the rate itself. The sale of foreign exchange through the exchange is merely a system for distributing foreign-exchange funds. This is a market-based system: The strongest enterprises, which are capable of using foreign exchange most effectively, are in an advantageous situation.

[Ostalskiy] What about the international financial organizations, the relations with which you oversee? Do they continue to provide assistance, regardless of everything?

[Kagalovskiy] We still have very good relations. An agreement has now been prepared on the so-called rehabilitation loan of \$600 million. Incidentally, \$250 million of this will be sold on the exchange. The rest will be used as centralized subsidies for the needs of agriculture, health care, and so on.

In October, we will begin preparations for the receipt of the full reserve credit from the IMF in the amount of \$3 billion (that is, the appropriation of the remaining portion of a previously agreed-upon amount is at issue). We are planning to sign an agreement to this effect before the end of the year.

Subsequently, the issue of the allocation of \$6 billion for the stabilization fund will be resolved. It will be possible to discuss the introduction of a fixed rate of exchange after this amount is received; we count on this taking place in the beginning of next year.

Besides, quite intensive work is underway together with the Club of Paris (creditor countries) and Club of London (private creditors) with a view to restructuring our debts, in other words, the long-term delay (10 to 15 years) in paying back the principal segment of our foreign debt, which as of today stands at \$84 billion.

MFA Senior Adviser Comments on Parfenov Case

924C2447A Moscow SOVETSKAYA ROSSIYA
in Russian 24 Sep 92 p 2

[Interview with G. Kaznacheyev, senior adviser of Consular Administration of the Ministry of Foreign Affairs of Russia by S. Turchenko, SOVETSKAYA ROSSIYA special correspondent in Riga; date not given: "Position of the Ministry of Foreign Affairs of Russia in the Parfenov Case. Illegal From the Start"]

[Text] Gennadiy Kaznacheyev, senior adviser in the Consular Administration of the Ministry of Foreign Affairs of Russia, arrived in Riga on the second day of court proceedings against Sergey Parfenov. He met with the defendant as well as the presiding judge explaining to him the position of the Russian leadership concerning the arrest of Parfenov and the subsequent action against him. What is that position? Our correspondent spoke with the diplomat regarding this case.

[Turchenko] During court examination it turned out that the arrest of Parfenov in Tyumen was made with the knowledge of Major General of Militia V. Basharin, head of the oblast Internal Affairs Administration. As stated by a representative of the Tyumen Oblast Administration, the question concerning actions by Basharin will be brought up at the next session of the oblast soviet. Did they know in Moscow that preparations were being made for action against Parfenov?

[Kaznacheyev] According to a determination by the legal department of the Ministry of Foreign Affairs of Russia the arrest of Sergey Parfenov on the territory of the Russian Federation by representatives of law enforcement organs of Latvia, was illegal. Unfortunately that was done with the knowledge and consent of the Russian procurator's office which made a serious error. A citizen of Russia could not be turned over to a foreign state. The operation of Latvian law enforcement organs on our territory violates the sovereignty of the Russian Federation.

[Turchenko] But in view of the fact that sovereignty was violated the leadership of Russia should have taken adequate measures.

[Kaznacheyev] They were taken. The Ministry of Foreign Affairs of Russia repeatedly raised the question concerning the need to turn Parfenov over to the Russian side both on the official and unofficial levels (for example, in a note of 12 November 1991). A. Rutskoy and S. Shakhray both took an active part in the attempts to resolve this matter with the Latvian authorities. The Latvian side issued assurances concerning its readiness to study our appeals favorably, which was followed by refusal. At the same time the need for conclusion of an agreement between our sides concerning legal assistance was used as an excuse in Riga even though this question has no direct bearing on the Parfenov case. The Russian side will initiate measures so that the interests of its citizens are adequately protected.

[Turchenko] Can you say specifically what measures?

[Kaznacheyev] Apparently a series of certain measures.

[Turchenko] If it is not a secret, what did you talk about with Parfenov and Judge Laukroze?

[Kaznacheyev] I presented my credentials to the judge and stated that on the basis of the Vienna Convention on Consular Relations I have the right to meet with the defendant. I was permitted to have such a meeting. In the conversation Sergey Parfenov declared that so far he does not know what help he desires from the Ministry of Foreign Affairs of Russia. We agreed that he would think about it and inform us during the next meeting.

[Turchenko] What is your view of the fact that the court did not admit either A. Chistyakov, the emissary of the Tyumen Oblast Administration, nor V. Bogdanov, cochairman of the Latvian Human Rights Committee, as the defense lawyer?

[Kaznacheyev] I do not have a right to interfere in the decision of the court. My purely human view is as follows—the court decision, to put it mildly, is incomprehensible. From the viewpoint of international legal norms the defendant has the right to choose any lawyer.

Program for Handling Refugee Influx Developed

924C2447B Moscow NEZAVISIMAYA GAZETA
in Russian 18 Sep 92 p 2

[Article by V. Filin: "Russia Must Admit Refugees"]

[Text] According to census data for 1989 there are 25 million Russians living in the neighboring foreign countries. In accordance with data of the immigration service there are 300,000 registered refugees in Russia today. On the basis of data from various services the number of those who are not registered fluctuates from one million to 2.8 million people and by the end of the year it might come to over six million persons.

Experts of the Russian Social-Liberal Party worked out a program for regulating the flow of migrants on the basis of a draft paper pertaining to the revival of the central part of Russia, which became one of the main directions followed in the comprehensive "Revived Russia" program. Its realization presupposes an upturn and development of agriculture and industrial production in the central part of Russia (from P'yazan to St. Petersburg) with the utilization of various forms of management and ensurance of a balance in production and consumption between rural regions and large industrial centers.

Through commercial structures it is proposed to start the production of prefabricated wood frame houses at a rate of 1,000 to 10,000 per month on the basis of state orders at today's cost of from 75,000 to 220,000 rubles. It is likewise planned to provide refugees with houses either free of charge or on the basis of long-term interest-free credit extended to them. The question of temporary settlements of refugees prior to their permanent resettlement is also being considered. Identical conditions are being offered for military personnel from forces being withdrawn from West European countries.

With consideration of the occupational specialties of refugees provision is made to offer them alternative choices in the selection of places of residence, and if they wish, the choice of engaging in entrepreneurial activity or farming. The refugees are assured favorable credit terms through the bank.

Financing of the project will be carried out in a number of directions—financing of the settlement of refugees and creation of an insurance company and a bank. It is stipulated that financing of these measures may be ensured through a one percent specifically designated deduction from the value added tax to be credited to the state budget, also there will be voluntary contributions by charity organizations, and assistance through the insurance company.

In the near future the draft of the "Revived Russia" Program will be introduced for adoption by the soviet of the bloc of "New Russia" political parties.

Military Forces Arrayed in Georgia-Abkhaz Conflict Viewed

92UM1448A Moscow NEZAVISIMAYA GAZETA
in Russian 4 Sep 92 pp 1,2

[Article by Pavel Felgengauer: "The War with Separatists' on Mountains and Beaches: Survey of August Combat Actions"]

[Text] The political struggle has been supplanted by outright armed conflict in virtually all southern areas adjacent to the former Union. Instead of gatherings attended by thousands, there are now tank battles, sieges, probing actions, and air and artillery strikes. Power, glory, and booty are now enjoyed by those who have acquired—by hook or crook—the most artillery pieces and armor. The troops of various "national" guards and armies are subordinated largely to "field" commanders, not to "civilian" authority, a situation that leads to constant political instability, for the battles against the "external" enemy (the "separatists") are subject to increasingly frequent internal, interne-cine conflicts and coups.

In Georgia there are five separate "armies": the National Guard; Mkhedrioni; detachments of "zviadists"; and Ossetian and Abkhazian home guards. The National Guard of Kitovani and the Mkhedrioni of Ioseliani are currently operating jointly in Western Georgia (against the zviadists) and in Abkhazia, but their subordination to Georgia State Soviet Chairman Shevardnadze is quite tenuous.

The remaining "armies" in Georgia are independent of the State Soviet, including in the formal sense. That which is currently taking place there may be said to constitute entirely natural competition ("struggle for existence"), one which will end when the strongest "army" will destroy the others and assume power in a country that is "liberated from tyranny; unified and independent." The same as what happened in Spain after Generalissimo Franco's victory in the Civil War. Incidentally, Georgia is not Spain, and the Caucasus is not the Pyrenees. Every victory in the Caucasus is temporary. There is little faith in a Spanish flowering of a Caucasian "Iberia."

Also unstable is the internal situation in Azerbaijan, where the political power is in the hands of the People's Front, but the army is subordinated to Defense Minister Rakhim Gaziyeu ("creator of the NAA" [Azerbaijan National Army]). Gaziyeu emerged from the People's Front in the fall of 1991, at which time he was appointed to the post of defense minister by Yakub Mamedov, not by incumbent President Abulfaz Elchibey. Informed observers are of the opinion that Rakhim Gaziyeu operates independently of the President and the government, certainly not in the interests of the People's Front.

In Moldova, the active patriotic agitation activity of the People's Front there, which is especially successful in the case of armed volunteers—"veterans" of the Dniester

area war—may soon end in a coup, the same as in the case of Baku and Tbilisi. (This is especially true of the completion of the presidential elections held in Romania.) Thus, the real power would go to the adherents of the "war to the victorious conclusion."

Only in Armenia does a legally elected President wield full control of the Armed Forces and the situation in the country. However, new battlefield failures in Karabakh may result in the assumption of power by more militant forces in Armenia.

Thus, in all the above independent states, an endless war for "national interests" ("against separatists"), one interrupted from time to time by more or less extended periods of peace—is almost inevitable. A war waged in the southern areas of the former Union feeds itself: Power tends to go to those who see an advantage in a military situation and in new campaigns.

To conquer the "bandits," and obtain "national sovereignty," there is need for a guard force; to counter a mutinous guard force, for an army; to deal with a recalcitrant army, for intervention ("peacekeeping forces," the U.N., CSCE, NATO, etc.). An endless number of cycles of this sort, as has occurred, may come about. (Just look at the history of Lebanon from 1973 to the present.)

Sea Mines To Float at Gagra

On 4 August in Tbilisi, Shevardnadze made the triumphant announcement of the "national reconciliation." There was a release of political prisoners, including Valter Shurgaya, the leader of the 24 June failed coup.

The National Guard discontinued its efforts to take Tskhinval after the attempted coup. In Dagomys in the evening of the same day—24 June—Eduard Shevardnadze signed an agreement calling for an end to fighting and troop deployment in Ossetia. This agreement did actually take effect, in contradistinction to the preceding ones.

After peace set in around Tskhinval (ignoring minor firefights and mortar shelling), there was a quickening in the pace of transfer of weapons to the Georgian National Army (the Guard plus the Mkhedrioni). Especially noteworthy was the Georgian acquisition of Mi-24 fire support helicopters.

All the weapons of the guards motorized rifle division in Akhaltsikhe were turned over to the State Soviet. This division was at reduced strength, i.e., it had virtually no enlisted and noncommissioned conscript personnel, but it did possess sufficient combat vehicles and armament for expansion to full strength.

On 11 August, the "national reconciliation" talks being held in Zugdidi ended with the kidnapping of Georgian Internal Affairs Minister Gventsadze and, along with him, the other members of the State Soviet delegation. It was alleged that Valter Shurgaya participated in the kidnapping. This ended the "national reconciliation" for

a time. State Soviet troops were rapidly redeployed to Western Georgia (more than 3,000 men, more than 100 pieces of armor). Incidentally, if one looks at the speed at which the shock group was assembled in the Zugdidi area (especially in light of the condition of the Georgian roads, most notably railroads), all the preparatory work must have been carried out previously. Incidentally, Zugdidi was taken without armed conflict.

Georgian troops as early as the eve of 14 August crossed the Inguri River to enter Abkhaz territory. An armored assault column took Gali and Ochamchire on the move, crossed the bridge over the Kodori River, and entered Sukhumi by 12 o'clock. The State Soviet troops were joined by local Georgian armed units. Combat helicopters provided air support. The Abkhaz armed posts were crushed.

According to an official statement issued by the Georgia State Soviet Press Center, the Georgian troops entered Sukhumi to guard the bridges, railroad, and other strategic facilities, and to carry out the plan for freeing the hostages. The operation was personally headed by Tengiz Kitovani.

On 14 August, armed followers of Gamsakhurdia freed Georgian Minister of Internal Affairs Roman Gventsadze. He spoke on Georgian television, saying that he had been treated "well" and that "the hostages could have escaped without particular difficulty, but that they did not wish to do that, to prevent bloodshed." Freed on 19 August was Georgian Vice Premier Aleksandr Kavsadze, who had been kidnapped on 9 July. Starting with 17 and 18 of August, the subject of the "hostages," as a justification for the Abkhaz campaign, received decreasing attention by official Georgian propaganda.

At the same time, the Georgian Army's actions in Abkhazia were extraordinarily successful. Only in the center of Sukhumi, not far from the Abkhaz Supreme Soviet building, did the Georgian units encounter any organized resistance. The city was subjected to attack by combat helicopters. The following persons were killed on the premises of the Moskovskiy Okrug sanatorium of the PVO [Air Defense]: Lieutenant Colonel Sergey Katkov; Reserve Major Mikhail Khomenko; and Masha Stanovskikh, 18-year-old wife of a captain. Several persons suffered wounds. All the harm, according to witnesses, was inflicted by the fire of the Georgian helicopters.

The Georgian National Army is equipped with four Mi-24 fire support helicopters (two Mi-24Ps and two Mi-24Vs). The helicopters were not "privatized," stolen or purchased by the "fighters"; they were officially handed over by the Russian Army from the Telavi helicopter regiment in the last half of July, on the very threshold of the Abkhaz campaign. It is alleged that the crews of the helicopters consisted of "volunteers" selected from regular personnel of the regiment. Several

helicopter wings (reduced-strength squadrons) were rapidly deployed from Tskhinval to Telavi in the spring of 1992 as "replacements" for Mi-26 transport giants withdrawn from there.

The Mi-24P is armed with an onboard 30-millimeter aircraft gun. In addition, it is capable of carrying externally-suspended pods of multiple unguided rockets and guided missiles, with the latter including antitank guided missiles. The Mi-24P can drop fragmentation-incendiary bombs and napalm. The crew consists of two men. There is a troop compartment (for eight to 10 men), which is normally empty. (The lift is insufficient for simultaneously carrying troops, full tanks, and externally-suspended weapons.) The helicopter is protected from small-arms fire. Speed is 300 kilometers per hour.

The Mi-24V is armed with a 12.7-millimeter, four-barrel, rapid-fire aircraft gun. The remaining armament and data are the same as that of the Mi-24P.

After the attack on the city and PVO sanatorium, SU-27 fighters from the PVO base at Gudauta appeared in the sky over Sukhumi, the purpose being to exert pressure on the combatants. The aircraft did not use their weapons. Nonetheless, the Georgian units discontinued their advance, even leaving the center of the city. An evacuation of resting people by sea and military transport aircraft was initiated. Troops of the 104th Airborne Division stationed at Gyandzha (Azerbaijan) were rapidly deployed there to lend support to the operation.

On 15 August, Georgian troops were landed at Gantiadi, not far from Leselidze, where the Russo-Georgian border runs along the Psou River. The State Soviet troops covered the Maritime Highway and the Leselidze railroad, and they took Gagra, where they joined up with the local Georgian detachment (allegedly the Mkhedroni). The Georgian troops then headed south in the direction of Pitsunda, up to the Bzyb River.

After the evacuation of the greater part of the resting people from Sukhumi was completed, the Georgian Army (Kitovani Guard) resumed its advance in the morning of 18 August. The Kitovani headquarters set itself up in the southern outskirts of Sukhumi. The Abkhaz forces pulled away and dug in on the northern banks of the Gumista River. At 12:30, two officers from General Gela Lanchava's subunit lowered the Abkhaz flag flying over the Abkhaz Armed Forces building and raised the Georgian flag.

"The Abkhaz campaign has come to an end," stated Defense Minister Tengiz Kitovani on that day as he was interviewed by a NEGA correspondent. He also explained Abkhazia's new state arrangement: "Georgia's State Soviet, acting in concert with National Guard headquarters, had decided to create the Temporary Council on Management of the State of Emergency in Abkhazia."

In an interview held several days later with the newspaper RESPUBLIKA GRUZIA, Tengiz Kitovani absolutely insisted that Vladislav Ardzinba, head of the Abkhaz Parliament, retire. "It is my opinion that the Abkhaz Parliament be dissolved. As far as protection of the Abkhaz people is concerned, we can do that ourselves, without outside help," said Kitovani.

Vladislav Ardzinba appealed for help to the U.N. and President Yeltsin, but this, incidentally, was unsuccessful. Boris Yeltsin allegedly advised Ardzinba during their telephone conversation to "work on all the problems in concert with Georgian Defense Minister Tengiz Kitovani."

Quite different was the reaction of the Confederation of Mountain Peoples of the Caucasus (KGNK). On 18 August in Grozny, the KGNK Parliament condemned the Georgian State Soviet policy and that of the Russian leadership. On 22 August, KGNK President Musa (Yuriy) Shanbiyev and KGNK Parliament Chairman Yusup Soslambekov signed a decree relative to "the rapid deployment of volunteers to Abkhaz soil to offer armed resistance to the aggressors," "terrorist acts" committed in the Tbilisi area, the declaration that "all persons of Georgian origin located on the soil of the confederation are to be treated as hostages," and the blockade of Georgia. Incidentally, resolutions passed by the KGNK, essentially a public organization, are not binding with respect to the member republics. In addition, the North Caucasus republics that possess their own armed units of any size ("national guards")—Ossetia, Chechnya, Ingush Republic—are less than enthusiastic about sending them to Abkhazia. They need to keep their troops close to home, just in case, perhaps to be used against each other. Thus, what was sent to Abkhazia were unarmed, hastily assembled detachments of volunteers, mostly from Kabarda, Cherkesia, and Adyge.

In his 27 August Appeal to the Leadership of Georgia and Abkhazia, President Yeltsin stated: "As far as we are concerned, we intend to take all measures necessary to put an end to attempts by armed volunteer detachments to penetrate Georgian territory." Units of Russian border troops, the MVD, and troops of the Transcaucasus Group of Forces are taking active measures to localize the Abkhaz conflict. Nonetheless, several hundred volunteers were able to squeeze their way into Abkhazia via Klukhorskiy Pass, in which lies the only road there through the Major Caucasian Ridge (Teberda-Tsebelda-Sukhumi). In addition, local guides were successful in leading several detachments over the Caucasian Ridge in the Rits Lake area (the favorite rest spot of people's leader Stalin).

The Abkhaz campaign did not end with the taking of Sukhumi. While the evacuation was in progress, the Abkhazians were able to recover from the defeats they suffered in the first week of the war. Also, the Georgian

troops were busily engaged in pillaging and sending their booty home, so that for some time they were in no mood for a new advance.

The principal military and political missions of the campaign—complete control over the coastal single-track rail line to Russia and the parallel motor highway, and elimination of Vladislav Ardzinba's regime, were not accomplished. The Georgian troops occupied the Gali and Ochamchire areas, and the coast as far as Sukhumi. Also occupied was a beachhead in the north—Leselidze-Gantiadi-Gagra-Kolkhida. Abkhaz forces are still in control of the republic's mountain areas and a piece of the coast between the Gumista River in the south to the Bzyb River in the north (the Sukhumi suburb of Eshera-Novyy Afon-Gudauta-Pitsunda). Vladislav Ardzinba and a large number of Abkhaz members of the Supreme Soviet set up operations in Gudauta. The Abkhazians have been able to create a more or less stable defense front along the Gumista. In the north, between Pitsunda and Gagra, there is no continuous front. Fighting groups are operating on both sides.

Position warfare has been initiated, with the Georgians enjoying complete superiority in heavy armament and in the air, while the Abkhazians possess only knowledge of the area, skill in launching counterattacks at night, and courage borne of despair. On the night leading into 26 August, Home Guard detachments and KGNK volunteers moved from the direction of the mountains to attack Georgian guard subunits in the Gagra area and the railroad station located in Sukhumi. The Georgians, as acknowledged by Eduard Shevardnadze, suffered heavy losses. Colonel Karkarashvili, the new commander in Abkhazia, issued his now famous ultimatum, whereby he would exterminate all 97,000 Abkhazians if they continued to resist, even if this would cost 100,000 Georgian lives. Incidentally, the ultimatum's deadline (1300 hours, 26 August) passed virtually without incident.

On 29 August, Tengiz Kitovani, Vladislav Ardzinba, and Sergey Shoygu, chairman of the Russian Parliament's Commission on Emergencies, met in Sochi. They reached another cease fire agreement, which no one intended to honor, of course. Incidentally, according to Kitovani, they discussed an even more important topic, future Russo-Georgian peacekeeping forces in Abkhazia. It appears a Russo-Georgian agreement will be concluded in Moscow on 3 September, one dealing with peaceful settlement in Abkhazia, as based on the following obvious principles: withdrawal of the Georgian National Guard; disarming of "illegal units" and creating peacekeeping forces, which will watch over strategically important routes located on the soil of Abkhazia. Georgia's position will be completely constructive, since this, after all, is the purpose behind the insertion of Georgian troops into Abkhazia. Incidentally, the military "booty" undoubtedly played a fairly substantial role, especially as far as the campaign's rank and file were concerned.

Nonetheless, before there occurs a "separation," the Georgian troops most likely will attempt to take the last unoccupied piece of the Black Sea coast. On the evening before 1 September, Georgian armor forded the Gumista but could not break into Novyy Afon, in spite of air support. Lightly-armed Abkhaz Home Guard members were able to disable several tanks and, by day's end, stop the breakthrough.

However, they could not hold on for long. Professor Dzhaba Ioseliani (head of the Mkhedrioni) allegedly arrived at Gagra with a detachment of fighting men to personally take over the northern front. It appears that the advance toward Gudauta will proceed concentrically and at the same time as the "peacekeeping" efforts of Russian diplomacy.

That is when the strike large units of the Georgian Guard will actually leave Abkhazia. For the sole unoccupied place is Tskhinval, around which the present Georgian Army formed (during the long and unsuccessful siege). After all, the taking of Tskhinval and liberating of Shido-Kartli is for the Army a matter of honor (and of glory and political influence for the leaders and of booty for soldiers). Incidentally, after Ossetia there will still be plenty of reasons to launch new campaigns into Western Georgia, Adzharia, and once more into Abkhazia.

And in the intervals, after the next "peacemaking," the Georgian Army will take up its demand for, and most likely be given, new weapons by the Transcaucasus

Group of Forces. (As "gratitude for its constructive position at the negotiations.") All the more since the major part of the troops of this unfortunate group is stationed just there—on Georgian soil. So a source there will be.

The following are stationed in Georgia: a motorized rifle division of almost full strength, located in Akhalkalaki (Novaya Krepost); a reduced-strength division in Batumi; a tank training regiment in Gori; an airborne assault brigade in Kutaisi, numerous separate artillery units; and units and large units of the PVO.

Appearing on North Ossetian television on 20 August, Colonel General Gennadiy Filatov, commander of the mixed peacekeeping forces in South Ossetia, noted that "the peacekeeping forces in South Ossetia have virtually accomplished their mission. The settlement process has become irreversible."

The chances are high that the Russian "peacekeepers" will soon be withdrawn, for they will be needed in other areas, since the demand for them is growing, while the number of Russian Army combat-ready large units is quite limited. When this happens, the Guard and the Mkhedrioni after the subsequent "bandit attack" or "stealing" will once take up the campaign, the ultimate mission of which will not be Sukhumi or Tskhinval, but Tbilisi, where the problem of who is to rule Georgia will be decided.

POLITICAL AFFAIRS

Poltoranin Issues Warning to Daily Paper

934C0063A Moscow TRUD in Russian 6 Oct 92 p 4

[Article by Irina Nevinnaya: "Warning to Newspaper"]

[Text] The Russian Federation Ministry of Press and the Mass Media yesterday issued a statement signed by Mikhail Poltoranin. The document states:

"On 1 October 1992 the newspaper SOVETSKAYA ROSSIYA published an appeal to citizens of Russia by the organizational committee of the so-called National Salvation Front, which openly calls for the establishment of unconstitutional organs and the seizure of power, i.e., the committing of criminally punishable acts. Consequently, in publishing this appeal the editors of SOVETSKAYA ROSSIYA have committed a gross violation of the Law on the Mass Media.

"Proceeding from the above, the Russian Federation Ministry of Press and the Mass Media issues, based on Article 16 of the Law on the Mass Media, a second official warning to the editors of SOVETSKAYA ROSSIYA and informs them that it is bringing action against the newspaper in accordance with civil legal proceedings to effect termination of its activity within the mass media."

Salaries of CIS Presidents Compared

934C0063B Moscow ARGUMENTY I FAKTY in Russian No 38-39, Oct 92 p 1

[Reader query and ARGUMENTY I FAKTY response: "In the Presidents' Purses"]

[Text] The Ukrainian prime minister recently divulged the salary received by Kravchuk—19,000 coupon-rubles. What are the salaries of the other presidents of CIS countries?

Rumynskiy, Zaporozhye

Our correspondent P. Lukyanchenko communicated with the apparatuses of the presidents of the CIS countries, as well as with the embassies of these states in Moscow. Here is what he was able to ascertain.

The president of Azerbaijan receives R25,000 [rubles]. The president of Russia receives his salary based on the calculation of 21 times the minimum wage (as of today—R18,900). The president of Kyrgyzstan will receive R18,000 beginning 1 October. The president of Kazakhstan—R16,000. The chairman of the Supreme Soviet of Belarus (the republic has no position of president) receives R14,000. The president of Tajikistan received R12,500 prior to 1 October (a recomputation is presently underway). The president of Moldova receives R12,000. The president of Armenia—R7,800. As of 1 October, the president of Turkmenistan receives a salary in the amount of 50 times the minimum wage (as of today—

about R80,000). We were unable to obtain data concerning the salary of the president of Uzbekistan—the presidential apparatus is carefully guarding this "secret."

FBI Not Losing Hope of Catching Howard

924C2443A Moscow IZVESTIYA in Russian 21 Aug 92 Moscow Evening Edition p 5

[Article by Aleksandr Shalnev, IZVESTIYA, followed by "Own Information" report: "The FBI Is Not Giving Up Hope of Catching Up to Former CIA Agent Who Worked For the KGB"]

[Text] Washington—As before, the American authorities are counting on succeeding in returning to the United States Edward Lee Howard, a former CIA worker accused of espionage for the then Soviet Union. "We are filled with resolve to bring this person to trial," a representative of the Justice Department announced in Washington this week. Wayne Gilbert said, in turn, "The head of our intelligence division of the FBI has a very good memory. We will not forget him."

Howard is accused of providing the KGB with information about the most secret CIA operations in the former Soviet Union. According to certain information, it was as a result of this that Adolf Tolkachev, a worker at one of the off-limits scientific research institutes, who for many long years was considered to be the most valuable American intelligence agent in the USSR, was arrested in Moscow. Tolkachev, having sold the CIA extremely important information on defense issues, was tried, declared guilty of espionage, and executed.

Howard, who fled from America in September 1985 literally a couple of hours ahead of the FBI agents who were supposed to arrest him, later received political asylum in the USSR and then moved to Hungary, from where he was exiled—not without pressure from Washington—and in recent months has been living in Switzerland. But at the beginning of August the immigration authorities decided not to extend Howard's residency permit, paying attention to the fact that, as one Swiss police official noted, "he had worked with the intelligence service of the former USSR."

According to the WASHINGTON TIMES newspaper, Washington has already made an unofficial request to Stockholm for assistance in arresting Howard, but the request was denied on the grounds that Sweden is a neutral country. Officially, the United States cannot demand that Howard be turned over to the United States since there are no agreements either with Sweden or with any other country which provide for turning over fugitives who have been accused of espionage.

It is known, moreover, that as early as last year the Federal Bureau of Investigation sent a request to Boris Yeltsin for help in arresting the former CIA worker, and our president was given to understand that the reaction to this request would affect how relations between the

intelligence services and security services of the two countries would be arranged.

The new burst of activity of the United States in its attempt to capture the fugitive is explained, understandably, by the fact that he has been deprived of the right to live in Sweden. Howard will be extremely restricted in his possibilities of acquiring a new "homeland." From all appearances, he will either have to return to Russia or go to Cuba or one of the other socialist countries. Judging from the articles appearing in the American press nowadays, Washington is quite ready to repeat its request to the Kremlin if Howard decides to return to Russia.

Howard, who at one time was being trained for work in the Moscow resident organization of the CIA and therefore was abreast of Moscow operations conducted by American intelligence in the USSR, was, according to presumptions that have become widespread in Washington, "suggested" to the American authorities by V. Yurchenko, a KGB worker who mysteriously disappeared in Rome in the summer of 1985 and just as mysteriously appeared in the residential complex of the Soviet embassy in Washington several months later.

The fact that Howard managed to flee under conditions that practically ruled out the possibility of escape shows, as experts attest, the high level of work of the Soviet intelligence with its agents, work that is comparable in its level to when the British intelligence organized the escape from Moscow of its agent—KGB Lieutenant Colonel Oleg Gordiyevskiy.

According to recent reports from Sweden, the police in Stockholm have arrested Edward Lee Howard. According to the law, the immigration authorities must make a final decision within 14 days as to whether to expel the former CIA agent from the country or not.

Information sources in Russian intelligence have corroborated what IZVESTIYA said—that through his activity Howard "did a great deal of good" for the former Soviet Union. Contacts were maintained with him even after he left Russia. Howard left for Sweden of his own will, nobody forced him. It is the right of the Swedish government to detain him, but Howard may return to Russia if he wants to, IZVESTIYA reported.

ECONOMIC & SOCIAL AFFAIRS

Privatization Data for First Half of 1992

924A2033A Moscow ROSSIYSKAYA GAZETA
in Russian 23 Sep 92 'Reforma' Supplement p 4

[Article: "How Privatization Is Proceeding"]

[Text] During the first half year the number of fully privatized enterprises was 3,701 facilities, of which 2,076 were privatized in June. Of the total number of privatized enterprises 82.60 percent belongs to municipal property, 10.89 percent, to state property of republics forming part of Russia, krays, oblasts, okrugs, and the cities of Moscow and St. Petersburg, and 6.51 percent, to federal property. Only 3.11 percent of the total number of privatized enterprises was privatized through transformation into joint-stock companies, including enterprises belonging to municipal property, 2.36 percent, to state property, 8.19 percent, and to federal property, 5.39 percent.

The total amount of proceeds received during 6 months from the privatization of enterprises (facilities) throughout Russia was 5,613.7 million rubles, or 7.8 percent of the total volume of funds from privatization, which according to the state program are to be received in 1992. Recently, however, the rates of privatization have increased significantly. For example, in June alone 2,379 million rubles were received from privatization, which was 3.68-fold more than the average monthly indicator for January-May. The bulk of the proceeds—3,341.0 million rubles, or 59.52 percent—was received from the privatization of industrial enterprises, whereas 21.01 percent, from the privatization of trade and public dining enterprises and 4.40 percent, of domestic service enterprises.

Of the total volume of proceeds received from privatization 60.28 percent, or 3,382.9 million rubles, was transferred to budgets and state privatization bodies. During the period under review the indebtedness of funds with respect to the transfer of proceeds totaled 2,230.8 million rubles.

The distribution of the transferred proceeds is presented in the table.

Types of Property	Total Amount of Transferred Proceeds (mill. rub.)	% of the Total Amount of Transferred Proceeds			
		Local Budgets	Budgets of Republics, Krays, and Oblasts	Republican Budget of the Russian Federation	State Privatization Bodies
Municipal property	879.8	51.36	14.97	16.16	11.84
State property of republics forming part of Russia, krays, oblasts, autonomous oblasts, okrugs, Moscow, and St. Petersburg	1,609.9	10.86	53.78	21.01	11.54
Federal property	893.2	9.02	27.92	53.74	8.46

During a detailed analysis of the presented data it is evident that the total volume of transferred proceeds in all lines exceeds the amount of transfers in directions. Such a noncoincidence is attributed to the fact that before the publication of the "Provisional Statute on the Procedure for the Payment, Distribution, Recording, and Control of the Receipt of Funds From Privatization," that is, during the first 4 or 5 months, the distribution was made according to somewhat different normatives, which included transfers to labor collectives. Thus, the total volume of proceeds indicated in the table included transfers to labor collectives during the period before the indicated "Provisional Statute" was put into effect.

Basic indicators at enterprises, which joined the process of privatization, but did not conclude it. An analysis of report data shows that the rates of privatization in June, as compared with the preceding period of the current year, have increased considerably. During the half year the number of enterprises (facilities), which submitted documents to privatization bodies, but did not conclude the process of privatization, reached 4,902, which was 2.73-fold more than the same indicator for January-May 1992. In June 3,105 enterprises (facilities) joined the process of privatization, which was 1.73-fold more than the total during the preceding 5 months. The established number of workers at these enterprises during the year preceding privatization totaled 471,203, the property value, 21,157.1 million rubles (2.87-fold more than the same indicator for January-May), and the charter fund, 8,150.5 million rubles (2.55-fold more than the indicator for January-May).

Results of privatization carried out by territorial property funds. The data of the statistical bulletin make it possible to draw some conclusions on the results of work of territorial property funds.

Of the total number of privatized facilities 29.75 percent (1,101 units) was privatized by territorial property funds. The proceeds received by these funds totaled 2,380.7 million rubles (42.41 percent of the total amount) and those transferred to the budgets of various levels and to state privatization bodies, 1,369.9 million rubles (40.41 percent of the total amount of transferred proceeds). A total of 17.59 percent of all the transferred proceeds was transferred to local budgets; 32.62 percent, to republican, kray, and oblast budgets; 33.01 percent, to the republican budget of the Russian Federation; 12.77 percent (174.9 million rubles), to state privatization bodies.

From the privatization of facilities belonging to federal property territorial property funds received 773.5 million rubles, of which 329.9 million rubles were transferred in the following directions: 37.0 million rubles to local budgets, which comprised 11.22 percent of the total transferred amount of proceeds from the privatization by property funds of facilities belonging to federal property; 44.5 million rubles (13.49 percent) to republican, kray, and oblast budgets; 206.9 million rubles (62.72 percent) to the republican budget of the Russian Federation; 35.4 million rubles (10.73 percent of the amount) to state privatization bodies.

According to the data of individual property funds, the remaining capital received by property funds from the privatization of facilities belonging to federal property and not transferred in any of the indicated directions is included in their indebtedness.

Conclusions and proposals. A comparative analysis of the data on privatized enterprises in oblasts, krays, and republics makes it possible to single out territories where the process of privatization is proceeding most actively (on the basis of the number of enterprises, which joined the process of privatization). They are Nizhegorod Oblast (351 enterprises), Sverdlovsk Oblast (318 enterprises), Belgorod Oblast (315 enterprises), and Penza Oblast (245 enterprises). The largest enterprises are privatized in Arkhangelsk and Moscow oblasts—the average value of the property of one privatized enterprise in these oblasts is 30.44 and 12.71 million rubles respectively. On the other hand, in Nizhegorod and Sverdlovsk oblasts, where the number of privatized enterprises is maximal, the average value of their property is only 2.44 and 0.77 million rubles respectively.

The biggest number of fully privatized enterprises—in Sakhalin Oblast—is 344 units, or 9.3 percent of all the privatized enterprises in the Russian Federation, in Stavropol Kray (257 units, or 6.94 percent), in Chelyabinsk Oblast (188 units, or 6.94 percent), and in Sverdlovsk Oblast (181 units, or 4.89 percent).

The biggest amounts of proceeds were received in Moscow Oblast (589.3 million rubles) and in Tula Oblast (312.7 million rubles). It should be noted that only 26.01 percent of the total amount of proceeds received in Moscow Oblast was transferred. Only 20.82 percent of these proceeds (122.7 million rubles) was received by the Moscow Oblast Property Fund and nothing from this amount was transferred.

The privatization of all enterprises (facilities) of Chelyabinsk Oblast, Buryatiya, and Belgorod Oblast was carried out by property funds (188, 98, and 84 facilities respectively).

Data on the results of privatization of enterprises (facilities) belonging to federal property are presented in the table:

	Facilities Belonging to Federal Property		Proportion of Results of Work of Funds and in Total Results of privatization of Federal Property (%)
	total	including facilities privatized by funds	
Number of fully privatized enterprises (facilities)	241	70	29.05
including those transformed into joint-stock companies	13	3	23.05
Funds received from privatization	2,054.8	773.5	37.64
Transferred from received proceeds, total	893.2	329.9	36.93
including to local budgets	30.6	37.0	45.91
to republican, kray, and oblast budgets	249.4	44.5	17.84
to the republican budget of the Russian Federation	480.8	206.9	43.03
to state privatization bodies	75.6	35.4	46.81

It should be noted that, in order to improve the quality of report data and to intensify their analysis, it is advisable to carry out the following:

To speed up the work on improving accounting forms carried out by Goskomstat [State Committee for Statistics], GKI [State Property Committee], and RFFI [Russian Federation Property Fund].

To eliminate the alternative versions existing in different directive and normative documents concerning individual matters relating to the implementation of privatization.

To carry out work on the organization of operational computer communication with the Main Computer Center of the Russian Federation Goskomstat for the purpose of rapidly receiving more detailed report data on the course of the privatization process.

At present the situation is as follows: Those that did not submit reports according to the 1-privatization form include the city of St. Petersburg, Leningrad Oblast, Ivanovo Oblast, the city of Moscow, Tula Oblast, the Republic of Kalmykiya, the Republic of Tatarstan, the Republic of Dagestan, the Kabardino-Balkar SSR, the North Ossetian SSR, the Checheno-Ingush SSR, Krasnodar Kray, Tyumen Oblast, and Magadan Oblast.

There are no fully privatized enterprises. Astrakhan, Volgograd, and Novosibirsk oblasts submitted reports only in lines not available in output tables.

Basic Indicators of Privatization of Enterprises (Facilities) Throughout the Russian Federation in January-June 1992.*

1. Indicators of Privatized Enterprises

Name of Indicators	Magnitude
Number of privatized enterprises (facilities), units	4,902
Value of property—total, mill. rub.	21,157.1
including	
fixed capital:	
initial value	9,032.3
residual value	6,083.1
nonmaterial assets	46.8
reserves and expenditures	6,903.3
Charter fund, mill. rub.	8,150.5
Indebtedness under obligations (credits and other borrowed funds, settlements, and other enterprise liabilities), mill. rub.	7,705.7

*The data are presented without the 15 republics forming part of Russia, krays, and oblasts, of which property funds or committees for property management of 11 territories did not submit information on the course of privatization. Privatization was not carried out in the territory of the North Ossetian SSR, the Kabardino-Balkar SSR, Magadan Oblast, and the Agin-Buryat Autonomous Okrug.

2. Results of Privatization Throughout the Russian Federation in January-June 1992

Name of Indicators	Total	Including Facilities Belonging to Property		
		municipal	state**	federal
Number of fully privatized enterprises (facilities), units	3,701	3,057	403	241
including transformed into joint-stock companies	115	69	33	13
Funds (proceeds) received from the privatization of enterprises (facilities)—total, mill. rub.	5,613.7	1,239.8	2,319.1	2,054.8
including from sale to labor collectives	199.2	46.1	43.8	109.3
Of the total amount of proceeds—received from the privatization of enterprises:				
of industry	3,341.0	130.3	1,792.4	1,418.3
of trade and public dining	1,179.6	824.6	231.3	123.7
of domestic services for the public	247.2	209.7	31.0	6.5
Transferred from proceeds received from the sale of the property of privatized enterprises (facilities)—total	3,382.9	879.8	1,609.9	893.2
including:				
to local budgets	707.4	451.9	174.9	80.6
to republican, kray, and oblast budgets	1,246.9	131.7	865.8	249.4
to the republican budget of the Russian Federation	960.5	142.2	338.3	480.0
to state privatization bodies	365.5	104.2	185.7	75.6

3. Of the grand total—results of privatization carried out by property funds.

Name of Indicators	Total	Including Facilities Belonging to Property		
		municipal	state**	federal
Number of fully privatized enterprises (facilities), units	1,101	823	208	70
including those transformed into joint-stock companies	50	35	12	3
Funds (proceeds) received from the privatization of enterprises (facilities)—total, mill. rub.	2,380.7	472.9	1,134.3	773.5
including from sale to labor collectives	125.8	20.8	29.4	75.6
Of the total amount of proceeds—received from the privatization of enterprises:				
of industry	1,713.9	86.1	952.6	675.2
of trade and public dining	470.1	286.0	137.3	46.8
of domestic services for the public	95.3	74.2	18.1	3.0
Transferred from proceeds received from the sale of the property of privatized enterprises (facilities)—total	1,369.9	304.7	735.3	329.9
including:				
initial value				9,082.3
residual value				6,083.1
to local budgets	241.0	132.1	71.9	37.0
to republican, kray, and oblast budgets	446.8	67.5	334.8	44.5
to the republican budget of the Russian Federation	452.5	53.3	192.3	206.9
to state privatization bodies	174.9	39.5	100.0	35.4

**Property of republics forming part of Russia, krays, oblasts, autonomous oblasts, okrugs, and the cities of Moscow and St. Petersburg.

'Poorly Thought Out' Reforms Costly to Peasantry

924A2043A Moscow ZEMLYA I LYUDI in Russian
No 36, 4 Sep 92 pp 2-3

[Unattributed article: "High Price of Poorly Thought Out Reforms"]

[Text] They will be even more burdensome for peasants if their implementation is continued without full consideration of the realities of life.

Profound socioeconomic changes are taking place in the agrarian sphere. Production relations are changing in a radical fashion, associations of agricultural producers are being organized on the basis of kolkhozes and sovkhazes, along with joint-stock companies, collective enterprises with a share-holding form of property ownership, and peasant (homestead) farms. A land reform is being conducted and production, financial-credit and other market structures are forming. Cooperation in the countryside is acquiring a new meaning.

The processes involved in the formation of new economic relations in agriculture and ancillary branches of the APK [agroindustrial complex], however, are painful and involve considerable expenditures. In many regards that is due to the half-hearted and contradictory nature of a number of the decisions being made as well as the legal norms, their lack of coordination, and a certain detachment from real life. The overall reason for these phenomena is hidden in the fact that the concept of agrarian policy itself did not undergo a comprehensive and methodical elaboration. As a result individual important questions concerning its overall strategy are resolved in practice with clear errors, without a thorough consideration of the objective nature of the development of socioeconomic processes and sometimes in haste or with a lag. As a result, negative tendencies have not been halted in the countryside and in a number of cases they are intensifying. There is a decrease in production, the number of unprofitable kolkhozes and sovkhazes has grown, and utilization of production resources is deteriorating.

A clearer determination of the scientific bases and the essence and principal directions of contemporary agrarian policy is needed to overcome these and other negative phenomena and to successfully resolve the food problem, the realization of which would ensure an upturn in production, a rise in its efficiency, and an improvement in the standards of living and social activity of workers in the countryside. Instead of clear answers and a concrete program of action one tends to hear the following incantation from many of the leaders: "We are heading toward the market." Formerly the dominant thesis was: "Plan - law." "The plan resolves everything."

Evaluation of the real situation in the Russian economy indicates that the adoption of laws on land, leasing, property, and a number of others, failed to bring about an upsurge of initiative and economic entrepreneurship

among the rural workers for increasing output of production and improving labor productivity. On the contrary, as a result of the lack of balance in economic links there was an almost universal drop in production along with an increase in the dependence of the state on foreign suppliers of agricultural products. All of that is a consequence of haste and a lack of a system in reorganization of farms, as well as the lack of a well worked out program for agrarian reform and mechanisms for realization of laws that are being adopted. This was manifested in disorderly privatization and the price anarchy that conditioned inflation and a violation of natural value proportions in exchange between the farm and other branches of the economy. There was a sharp deterioration in the production-financial position of an absolute majority of agricultural enterprises and branches of the infrastructure, particularly of the processing industry.

The contrasting of various forms of ownership and market relations with planned relations, and the unfounded discrediting of large-scale production clearly does not promote the rational utilization of available resources.

Haste in reorganizing kolkhozes and sovkhazes will lead to disorganization and a drop in production and to an even greater complication of the economic situation in the country. World experience indicates that with the evolution of scientific-technical progress and technical supply of agriculture there is a decrease in the role played by the category of ownership of land and other means of production. In this connection, having large-scale production, it is presently illogical to raise the question concerning massive (all around) privatization within the agrarian complex.

In our opinion for the successful development of the large organizational forms of agricultural and farm production and competition the following is necessary:

- creation of conditions for the development of independence, initiative, and entrepreneurship among the peasants;
- a rise in the level of material-technical equipment available at the farms;
- creation of an appropriate production infrastructure precluding losses of agricultural products at all stages of production, procurement, storage, processing, and sales;
- improvement in the standards of living in the countryside;
- guarantee of exchange equivalency between agriculture and industry.

Particular significance is acquired by the elimination of bottlenecks in the production sphere. It is necessary to do away with administrative pressure on commodity producers in the sale of products, distribution of income

and material-technical supply. It is important to establish basic order in price formation and the financial-credit mechanism the lack of which placed most enterprises and peasant farms, even those that are operating well, on the threshold of bankruptcy and collapse. Of course, it is impossible to resolve such a task only on the basis of accelerated privatization and an uncontrolled rise in prices, as indicated by the bitter experience of the first year of the reform.

Success with the establishment of new socioeconomic relations in the APK through the creation of market structures will be determined by the depth and systematic nature of the transformations aimed at perfecting ties between city and village, creating conditions for competitive activity of various forms of property and organization of production, and granting social guarantees for agricultural workers.

What are the concrete tasks, in our opinion, that must be resolved in this connection on a priority basis?

It is feasible to adopt a law on agriculture which would clearly trace the socioeconomic and legal position of the branch within the national economic system of the republic and determine the concept of its development with regard to the main parameters for 1995-2000. It must be directed at the restoration of the destroyed mechanism of expanded reproduction of the branch as the main premise for ensuring a stable growth in the output of production.

It would be rational to work out and realize in practice, on the scale of the republic and individual regions, comprehensive programs aimed at the involvement of a portion of the population of cities and industrial centers in agricultural production. Special attention should be focused on the military personnel being demobilized. The urgency and scale of such a measure is dictated not only in the interests of expanding production and curtailing losses of production, but also by the need to prevent social upheavals which are possible with the appearance of massive unemployment.

Yavlinsky Reform Plan Abridged Version

934C0018A Moscow MOSCOW NEWS in English
No 38, 20-27 Sep 92 pp 8, 9

[Article: "A Chance"]

[Text] Two months ago, Grigory Yavlinsky's *Epicentre* stated: Russia's reforms have fallen through (see MOSCOW NEWS Nos. 21-22). The Centre makes believe it is in the saddle, while republics buckle. They want to run their life on their own.

Yavlinsky's June diagnosis was criticized from all sides, but everybody pined for a remedy.

Today, it looks like Yavlinsky has it. For over a year, he has been giving economic counselling to the Nizhny

Novgorod authorities and submitted to MN a paper on ways to rejuvenate Russia, which we now present in an abridge version.

Foreword

To look just one year ahead, one would need to know the current state of affairs, which is:

1. **Traditionally, reforms in Russia** are initiated from above and implemented by tough measures with the help of apparatchiks and bureaucrats.

By the fall of 1992, reforms from above have fallen flat on their face. Political changes have been snowballing, for which reason old recipes don't work, although not many reformers or people in the street understand this. No attempted reform has radically improved people's living standards. We are witnessing the end of an epoch of reformism. The country is about to enter a new stage of development.

2. **Russia's new state** is that of co-existence of ever-deepening differences and varieties. There are no institutions, laws or economic models to conform to this state and to turn the current processes into a safe and democratic bed. We may expect conflicts: differences are apt to become contradictions.

Russia of today is full of both dangers and possibilities. The task is to prevent the former and benefit by the latter.

3. **We believe** that the way to do it is to apply new ideas generated by the new Russian communities, social and professional, and localities. One thing to remember is that in people's minds the interests of a family or social group are today above those of the state.

Considerations of security and stability prompt the switcher from "reforms from above" to "development from below." Economic and political changes will progress from man to community, to a new integrity.

In the new Russia, integrity must be reached through efforts of both the Centre and, primarily, of regions interacting between themselves.

Russia's regions are now tackling the problems of a shortage of cash, food stocks for the winter, and financing of major enterprises, with no aid from the Centre.

Local leaders have clearly discerned a potential social explosion, whose shock wave would first sweep them before it reaches Moscow. That's why the local authorities in Russia are devising and implementing their own economic and social policies.

4. **The new logic** commands that all mechanisms of the new economic and political programmes should be strictly voluntary and horizontal to make new integrity attainable.

We believe there is no other alternative.

Politics

Negative Positives

We must state the following unpleasant political realities:

- The subjects of the three federative treaties are not equal.
- The laws on natural resources and land ownership are very vague.
- The process of political and economic disintegration is chaotic, for which reason separate regions get rights and privileges that others don't have.
- For the lack of a new integration concept, the federal authorities are impotent, and their action, sporadic; in spite of the federative terminology, the state is still largely unitary.

Such is the new reality which should better be appreciated fast.

Power methods will not do. Omnipotence of central institutions is a myth. What is needed is a new federative treaty. But first, its potential signatories should become responsible for their political and economic actions.

The Centre should realize that what we call the Russian Federation is not a formed state but rather a country in transition. Also, Russia's fate is closely connected to that of Belarus, Kazakhstan, Ukraine and other ex-Soviet states. If Russia's disintegration is a continuation of that of the USSR, the new integration within the Russian Federation may form the basis for a new integration in the CIS.

We believe that the USSR's disintegration was in line with the global trends. In case the intra-Russian crisis is resolved, the process of new integration may become controllable.

The regions' new rights may be a boon if the price were not too high. Some of them get privileges that others don't have, and the federal interests suffer. As a result the Centre's strategic planning inevitably fails. The main problem is thus old—uncontrollability, there's only one way out: to make new integration voluntary, on the basis of economic and political incentives capable of making Russia's integration profitable politically, economically and even culturally, for its provinces. Moreover, the process should be safe.

This doesn't mean that the federal institutes should go, or the situation will aggravate. This means that the Centre should be delegated new responsibilities. There should also be a system of counter-weights, which both the federal and the local authorities should respect. The new federal authorities should see to it that the interests of all are balanced out and be ready to change if the tasks change.

The new integration should be seen as an instrument of economic reform. Not that the economic changes will

become beneficial only after a new state is formed. First, economic changes are and will be implemented from below. Second, the Centre will continue, albeit mostly in vain, to try and implement changes from above.

One outstanding problem is a new status of the subjects to a new federative treaty. Today, the initiative should come from the potential signatories in the person of elected representatives, rather than governors placed by the President; the federal authorities should only be allowed to help regulate the process. This will only be possible if and when local leaders understand that without involving their regions in all-Russian political and economic processes they will not be able to break out of the vicious circle of day-to-day problems. The sooner they form a grassroots federally-minded political movement the better.

The federal authorities can either help channel the movement into a constructive course, or resist the process in a bid to strengthen the old vertical power structure.

In the former case, the federal authorities will be able to greatly help the country's re-integration. The latter case is prone with unpredictable dangers, because the regions may want to remove the federal authorities as they are and replace them by a new structure, thereby throwing the country into a long period of social chaos wherein we all will suffer.

Ideally though, the movement to Russia's new integration should be reciprocal—the provinces and the Centre should meet each other halfway.

We don't expect all regions to appreciate the prospect immediately. Rather, we should start with a few regions capable of setting an example in the field of economy, for starters.

The above deliberations prompt specific political and organizational steps. But we should act now: there is no time to waste.

Economy

Positive Negatives

The provinces will now be the venue for major economic reforms, although the role of the federal economic policy is still great. Factions, compromises and even macro-economic tasks, illusory in the current conditions, will cede to a new understanding of the state the country's economy is in, following the abortive reforms.

Forecast

The easy summer is over. The coming winter will be harder than last year's. There will be power shortages—especially in Transbaikalia and the Northern Caucasus. Heat supply in cities will be feverish. Many regions will experience a shortage of fodder. There may be bread lines.

Many enterprises will be sacking personnel for lack of resources and finances. In the spring of 1993, unemployment will be rampant, hitting white collars the hardest.

Managers of major enterprises will at best be sitting on the fence, viewing with surprise the Russian government's contradictory steps. Industrial production and imports, as well as investments in industry, will shrink. Municipal housing construction will grind to a stop.

Taxes will plummet. The republican budget, where expenses outstrip incomes even today, will be able to finance anything only from the press. It will have to boost credits, for nobody can take on the hard political decision of stopping hundreds of enterprises simultaneously.

This fall, inflation will skyrocket, boosting prices. This past summer, the monthly inflation rate stood at a bearable 15-20 per cent; in the fall, it will double or treble.

The demand for cheap foodstuffs—bread, cereals and vegetables—will leave the supply far behind. People will be expecting nothing but further inflation, and will be stocking food for the rainy day. If the interest rates on deposits are not appreciably increased, people will run for their money. Overworked social insurance institutions will not be able to keep up with the nominal increasing pensions and bonuses. The system of free education and health protection will collapse. Many will be disappointed, because the campaign of issuing privatization vouchers will inevitably flop.

The common people will have to rely either on barter trade, subsidiary farming or relatives in the countryside for food. Theft from enterprises and homes will grow. Personal security will be the primary concern of all. Many will leave cities for rural areas. Some will try their luck abroad.

The local authorities will no longer count on aid from Moscow and will concentrate on stocking up grain, fuel and foodstuffs. To do this, they will need money, hence:

- Tax payments to the republican budget will dwindle; barter deals with other regions and countries will flourish;
- Nobody will be selling its currency revenues to the state; everybody will be selling locally produced raw materials on his own;
- Everybody will be looking for direct partnerships abroad and potential direct investors;
- Banks in Russia's autonomous republics and regional branches of Russia's Central Bank will be approached for credits;
- If further cash shortages occur, there will be attempts to issue surrogate money.

In other words, Moscow will yield the lever of distributing resources to regional structures, and many regions will go resource-hungry.

The federal authorities can do nothing to counteract this trend, largely because they are torn by internal strife, and do not appreciate the scale of the problem.

The economy will be shaky. People will be leaving Far Northern and some Far Eastern areas. Scientific centres will be paralyzed. Foreign markets will be lost.

It is unlikely that ex-Soviet states will reduce their exports to Russia—so far, there is no alternative to the old ties. The West will likely continue giving credits for small-scale vital exports to Russian and humanitarian aid.

This fall and winter will be marked by inflation:

1. **Agricultural and food prices** will grow; incomes will have to grow accordingly;
2. **Fuel prices** will have to be released;
3. **Insolvency** will be high, which will tell on wholesale and then retail prices;
4. **The basic funds** will be reassessed, but any positive effect will be offset by inflation.

These forecasts are prompted by the logic of the 1992 developments. The personnel reshuffles since the spring of 1992, and those that are likely to occur in the fall, will hardly produce any positive effect, judging by the election platforms of contenders.

There may be attempts to turn the tide of social developments with a view to restoring the vertical formula of economic management. Wages and prices may be frozen, state-owned enterprises may be offered investments and credits from the budget, and parochial attitudes may experience a renaissance. Any attempt to restore the old economic and social pyramid will only boost disintegration trends.

By mid-1993, revenues in the republican budget will make up no more than a quarter of expenses, and all financing will be done through printing more money. VAT as it is will hardly be collectable. Many state-owned enterprises will send tax-collectors off empty-handed.

In the local budgets, 90 per cent of expenses will be channelled into socio-cultural development and subsidies. Financing of municipal transportation will be a very hard problem to solve. The local authorities will be dodging tax payments to the republican budget.

Bank credits will largely go to pay wages. Banks will be supported by way of a centralized credit. There may be large-scale financial swindles and bankruptcies. Regions may consider giving credits on their own.

Exports and currency revenues will drop by a further 20-30 per cent. Exporters will stash away 70 per cent of

currency revenues abroad. There will be several exchange rates; the trade and cash rates will diminish several times over.

In industry, the high-tech production and the range of goods will foil. Machine-building and the chemical industry will be the hardest hit for the lack of imports and raw materials. Investments will be 20 per cent of the 1990 level.

In agriculture, producers will not sell grain for roubles, preferring to barter it for other products. Large collective farms will be replaced by a multitude of small farms. In winter and spring, cattle will be slaughtered for lack of fodder. Even private farmers will find life hard.

Russia's government will hopefully understand that it is a government of rampant uncontrollable inflation.

A tough monetary policy may be applied to fight inflation. But inflation in Russia has deep institutional and structural roots. The task is thus to implement a long-term economic system transformation of the economy.

The "socialist" transformation of Russia's economy has gone too far. One can hardly reduce budgetary expenditures if education and medicine are financed from the budget; one can hardly develop a labour market if housing is largely state-owned; one can hardly release prices if monopolies dominate in the economy; one can hardly expect state-owned enterprises to be free economically if there are no clear laws to regulate ownership, etc.

The federal authorities are powerless to tailor their economic policies by the traditional formula of centralized management.

Some Advice to the Government for the Winter

The realities of today are: inflation is growing, regions are claiming more power, and people's life is worsening. Hence:

Strategically, the government should stop staking on short-term economic successes. The priority should go to the effort to change the system; system transformations are, as a rule, irreversible.

The government should **let regions develop on their own** and stimulate inter-regional integration. It should stop bossing regions around.

The government should do everything to preserve the scientific potential, high-tech production, basic industries and the current infrastructure.

Tactically, the government's fiscal and monetary policies should not hinder system transformations. The government should find a way to develop business enterprise and investments even in the conditions of rampant inflation. Predictability is the key word in shaping fiscal and monetary policies.

No more arbitrariness in shaping conditions of economic activities—taxation, interest rates, foreign trade, etc.

One thing worth doing is shaping a system under which the population and enterprises could foresee the macro-economic dynamics of the rouble's exchange rate (even downward trends). The government can undertake to institute a single floating commercial exchange rate in percent and absolute terms, to be respected by all. A stabilization currency fund worth three months' imports and consisting of domestic and loaned currency reserves, can cushion many a blow.

The government should radically change its social policy. It has nothing more to distribute among its citizens. Issuing privatization vouchers is a step of final resort.

As of today, the government's social policy is exclusive, unpredictable, money-oriented, and passive. There is no way out of this vicious circle if the government does not give up its old habit to distribute everything.

We believe that the task of catering for the population and the instruments thereof, including finances, should be delegated to the regions, which will help boost efficiency, because the instruments will be used discriminately, to conform to specific needs and characteristics of regions and social groups.

This may help launch negotiations between the Centre and the local authorities on ways and forms of interaction. Social accord is vital. The negotiations may focus on:

- A single labour market;
- Delineation of the fiscal authority;
- Health protection, education and social services;
- Financing of social programmes from the federal and the local budgets;
- Emergency funds and instruments of controlling them.

The list can be extended and specified. The main political task of the Centre is to overcome the chaotic development of social processes.

All attained agreements should be formalized legally and financially. This means:

- Regions should have both functions and means to perform them;
- The local budgets should not duplicate the federal budget;
- A part of federal taxes should be channelled into local social programmes.

The government may be vested with the power of decision making until relevant laws come into force

We believe that these are some of the vital steps the government can make in shaping a new social policy.

Russia's Regions and Potential Renaissance

A Chance For Concord

Regions are the last bridgehead in the effort to attain stability.

Wherever possible, the weakening vertical structures should be replaced by horizontal economic and managerial ties.

The sooner we start the movement towards integration on the basis of common economic interest, the better; for if we waste time, some potentially affluent regions (Tyumen, the Far East, Kaliningrad Region, etc.) may be forced to build foreign trade-oriented structures that will be hard to integrate.

However different the interests of regions participating in inter-regional alliances may be, they are still united by the common interests of their populations—their rights and security, social welfare and economy.

For the lack of working vertical ties, the existing regional associations of economic cooperation have not only to develop their economic bodies, but set their sights on the political sphere.

One of the important tasks is to conduct a coordinated policy of inviting domestic and foreign investments by way of shaping regional investment programmes and a flexible taxation policy, listing priority and most profitable industrial and social projects, staging competitions for best solutions of urban problems, and otherwise making cities appealing to potential investors.

Any re-integration is only possible if regions learn to lead the movement for unification, in cooperation with the Centre or on their own.

Nuclei of Concord

Integration in Russian history has always been forceful. Today, integration can only start in the nuclei of concord, i.e., regions either possessing a high integration potential along with economic power, extensive inter-regional connections, and a high level of science and technology, or champions of a balance of interests.

But first, the potential leaders should tackle their internal problems:

- Condition its economy to hyper-inflation;
- Open the door to small- and medium-size private ownership;
- Create a beneficial climate for entrepreneurship and investments;
- Overcome internal discord between legislative and executive powers, regional and urban authorities, etc.; and

—Build a working social welfare system on the basis of balanced interests of all, a prototype of civilized society. One step in this direction is writing charters or constitutions of regions.

The next stage is building inter-regional alliances with the nuclei of concord in the lead and creating a "new economic space" by way of strengthening horizontal material, financial and information ties. A vital task is finding points of contact for the regions competing for leadership. One cannot preclude mergers of regions.

The final stage is practical implementation of the proposed concept of "new integration."

In today's conditions, no separate region in Russia can claim dominating economic positions—none of them is sufficiently developed.

The Nizhny Novgorod Region is a typical example. The only difference is that it has done a lot on its own, which gives it a very good chance to become a nucleus of concord.

Nizhny Novgorod

The Nizhny Novgorod Region is one of the largest and best developed in Russia. Territory: 74,800 sq. kilometres. Population: 3.7 million. Two-thirds of its powerful economic potential are defence industry enterprises. It has been hit by crisis: industrial production slipped 8.5%, agricultural production is decreasing, and people's living standards are dropping.

To attain economic and political stability, the region has done a lot. One of the first steps was to build a "middle class" of owners who would have guarantees that their property is secure. On the other hand, such people will have to pay for the services rendered them, like medicine.

These and other considerations demand the creation of an infrastructure for a regional market of finances, including a conversion and a mortgage bank, and a local exchequer.

The local authorities have considered the vital issue of privatization in the region and concluded that there is a need for a certain delay which would enable staffs and administrations to pick one of the three proposed schemes of privatization, which they think suits them best.

Not that there are no unexpected problems. With the current rampant inflation, capitals are fast shrinking, for which reason the rates of small-scale privatization drop. To tackle the problem, the local authorities decided to stage, beside open auctions, open non-commercial competition, so that potential buyers could propose other, non-monetary, considerations, like ecology, employment and profile of production.

Also, the authorities decided to cut back on the registration paperwork. Budding business only have to fill in two

copies of a registration certificate and pay the fee of 2,000 rubles. Holders of the certificate are entitled to fill out an income declaration once a year, rather than deal with tax inspectors every three months, as is the general rule.

The region leads the country in the number of private farmers: as of July 1, 1992, there were 1,941 registered private farms with an average land plot of 20 hectares. The authorities believe that the figure is close to the ceiling. If the number of private farmers continues to grow, the allotted land plots will become smaller and smaller, for which reason their productivity may drop.

The regional authorities believe that the service sector has to pay its own way, while the budgetary means should be strictly goal-oriented.

To ensure the population against inflation, the authorities are stocking up grain, which today seems to be one of the most stable currencies in the country.

Finally, the authorities are always open for cooperation with various public and political organizations, which helps them find the points of concord, needed so badly in our troubled times.

In a word, the region has done quite a few things that the federal authorities can only dream of.

Borovoy on Path To Free Economy, Conversion

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25 Sep 92 pp 1, 2

[Interview with K.N. Borovoy, leader of the Economic Freedom Party, by Vladimir Kosarev; place and date not given: "People's Economic Freedom Will Lead Russia From the Impasse"]

[Text] Konstantin Natanovich Borovoy was born in 1948. Upon graduation from the Transport Engineers Institute and the Mechanical-Mathematical Faculty of Moscow State University, he did graduate work, defended his candidate's thesis, and lectured in higher educational institutions. In 1988 he began to involve himself in entrepreneurial activity. Until recently he was president of the Russian Commodity and Raw Material Exchange. He is a founder of the Russian National Commercial Bank, the Rossiya International Trading House, the Economic News Agency, and about 50 other commercial structures.

This May he formed and together with Svyatoslav Fedorov, the well-known ophthalmologist, heads the Economic Freedom Party. Experts are increasingly mentioning his name as a possible candidate for the office of mayor of Moscow and head of the Russian Government even.

[Kosarev] Konstantin Natanovich, you are known primarily as a preeminently successful businessman, one, perhaps, of the most successful Russian entrepreneurs. And all of a sudden the quite unexpected departure for politics. What brought about this step?

[Borovoy] I would not say that this was an unexpected decision. It was dictated by the logic of our life. The main thing on which I have been working in recent years has been the creation of a grand viable economic mechanism which reconciles the old and new economic systems. The Russian Commodity and Raw Material Exchange and numerous investment companies have become such a mechanism. But the economy in our country is closely interwoven with policy. And my sympathizers and I have become increasingly convinced that for the defense of the citizens' economic interests a political party is needed. It is necessary for defense of the radical economic reforms of the government, which we support, and for the molding and advancement of a new generation of politicians—highly educated people capable of engaging professionally in the running of the state.

Today we are experiencing a most difficult period of the formation of a new society, a period of growth which is virtually unorganized and wholly unregulated. A dangerous period since whatever you like could be cultivated in the process. Unless we orient ourselves toward world experience and civilized models, a totalitarian system, fascism, could be revived.

We have an opportunity. And we must take this opportunity. We are fortunate in that for the first time in 75 years our government is headed by educated people—scholars and experts of the highest level.

[Kosarev] They are being criticized for the fact that they are only armchair scholars, not field workers.

[Borovoy] The criticizing is being done by those who are clinging to the former notions: a record of party service and the negotiation of all rungs of the service ladder are needed, as Raykin said, to be able to lead people. I believe in the capacity of Gaydar and his team to ensure Russia's forward progress, I believe in their commitment to democracy and the principles of the market economy.

[Kosarev] You connect Russia's revival primarily with enterprise?

[Borovoy] No, of course not. A liberal economy is an economy capable of competing at the maximum level. This could be both a state economy and a private economy. A particular basis is needed, as is the elimination of the economic structures which are pulling us down, for its creation. And when I am told that we need to preserve the potential of great Russia, I reply: Yes, we do. But potential, not the inefficient production which is ruining us. I am convinced that only the economic freedom of people—entrepreneurs, workers, peasants, the intelligentsia—and the creation of a self-developing and self-regulating national economy based on private ownership can lead Russia from the impasse.

[Kosarev] How do you evaluate today's political and economic situation in the country?

[Borovoy] Today a struggle is under way. As soon as the reformers in the government began real forward movement, they encountered the furious resistance of the administrative-command system and the nomenklatura, which is losing power. Appalling pressure. As a result some results of the reforms have been partially wiped out—this is how I evaluate the allocation of credit to inefficient industries. Nonetheless, there has been progress—the price liberalization and the shaping of market relations. The reforms cannot be wound down. If prices and wages come to be indexed today, this will mean inflation. In a couple of months it will mean a distributive system and bread lines.

[Kosarev] But another danger is emerging—the impossibility for a majority of the population of buying this bread.

[Borovoy] Let us think what are socially just—free prices or fixed prices? Only free prices, I am convinced. Thanks to these, the state will have an opportunity to tackle that for which it exists—social programs. But the assistance must be very specific, not for the entire population but for the socially weak strata—retirees, children, the sick. So free prices are the social mechanism of social justice. All the rest is distributionism, a concentration camp, figuratively speaking, when in the morning everyone wakes up and receives his authorized bowlful.

[Kosarev] How, in your opinion, will events develop in the immediate future?

[Borovoy] Halting the process of reforms is impossible, although such attempts will continue. The president will seek a compromise with the Supreme Soviet and with various social movements. But, it seems to me, our parliament is not prepared for compromise, and for this reason I am convinced that the moratorium on elections is a mistake.

[Kosarev] Do you consider a social explosion possible?

[Borovoy] A social explosion is always possible. But we have a sensible people. Understanding the need for change, they are prepared to make certain sacrifices. People want to see Russia as a great power.

[Kosarev] How do you evaluate the state of business in our country?

[Borovoy] I do not know. I am not tracking this process currently.

[Kosarev] But you know this sphere very well. Does it not seem to you that there is much here of what we call scum. Many people, dishonest, who have arrived to make money quickly.

[Borovoy] Why should this disturb us? You come and find a job...

[Kosarev] I come and work and get paid for what I have done.

[Borovoy] You do not come out of enthusiasm but to earn money to live, and the quicker, the better. This is normal.

[Kosarev] It is not normal that this is leading to the starkest stratification in society—to very poor and very rich.

[Borovoy] This is why practicable social programs are needed. It is essential that we create equal starting conditions for all. There are people who want to take risks, they are going public with their enterprises. And there are people who do not.

[Kosarev] This is not what I mean. You can see what is happening on the street. Stalls everywhere, in which heaven knows who is selling heaven knows what.

[Borovoy] This angers me also. In addition, some of them are controlled by the mafia. All because we have no property market, no credit for the citizens so that they might purchase stores, some enterprises or other. Who has an interest in this? The nomenklatura, those same government officials, and the mafia. They are skimming off the principal profits from this. For this reason the Moscow Entrepreneurs Convention was forced last year to declare Moscow a zone unfavorable for enterprise. This evoked also our statement on the criminalization of the authorities.

[Kosarev] Konstantin Natanovich, you have spoken of the need for just forms of the transfer of property from the state to the citizens and the creation of equal starting conditions for all. This is declared by your party also. Does it not seem to you that this is utopian? The starting conditions of your children and of those of other major entrepreneurs will differ appreciably from what an officer or worker can give his children.

[Borovoy] The director of a large plant now receives from R120,000 to R200,000 a month. I get R45,000. I do not think I could give my child as much as he. Nonetheless, this is not a fundamental difference. At the level of our present-day savings we are all practically equal. All of us should have an opportunity to obtain cheap credit from the bank in order to redeem property. So it is not he who has the larger amount but he who works better and organizes production better who will benefit. We need to teach people how to live and work under the conditions of the market. Western countries have spent enormous resources on this. And here also 40 million citizens associated with the new economic system are assimilating this experience. But it should be understood also that it is impossible to make everyone equally smart and equally energetic and lucky. The state should ensure a normal start for everyone. And subsequently—the struggle for life. The healthy and the strong are the winners. Please understand, these are entirely new conditions of our life.

[Kosarev] And you believe that the majority of the population is now ready for these conditions?

[Borovoy] I believe so. The Americans live like this...

[Kosarev] They have been living like this for 200 years.

[Borovoy] The whole world lives like this. And so did we not that long ago. This is more natural.

[Kosarev] You have said that stratification in society is a normal phenomenon. Perhaps. But is not the provocative luxury of the nouveaux riches and the retailers, who are engaged in the reselling of goods which they have not produced, making fortunes out of this, immoral in our present-day poverty?

[Borovoy] I do not see this luxury. I do not see what, for example, every American has—a three-level home, swimming pool, two cars, and good wages, which allow him to vacation in Southern Africa. This really is luxury by our standards.

[Kosarev] You could permit yourself this?

[Borovoy] No, of course not, where from? I live in the basement apartment, virtually, in which I lived as a senior lecturer. I have never set out to amass money. I do not know what sort of luxury you are talking about.

[Kosarev] Well, if only these apartments of yours in which we are now talking. They are classier than the president's.

[Borovoy] This is our party's office, it was handed over to us by the exchange. I simply work here. But this sculpture is, truly, of value, a work of art. It cost \$40,000. Investing, inter alia, in works of art. RINAKO is hedging against inflation.

[Kosarev] KRASNAYA ZVEZDA readers would be interested to know your attitude toward the army.

[Borovoy] I would like Russia to have a strong, highly professional army furnished with the most modern equipment and weapons. Our military to be strong, proud, and happy people, not homeless down-and-outs. And it to be treated the same as the military is treated in the United States. There a person in uniform is sacred. I would like our army not to number half the population of the country but to be such in terms of strength as is necessary for the defense of Russia.

I do not like Russian soldiers and officers defending the borders of other states and dying on foreign territory. I would like us to withdraw our forces as quickly as possible. But if in this former republic or the other Russian people whom others are unwilling to recognize as citizens of this country reside and whose rights and human dignity are being flouted, our army should remain there and protect them as long as necessary.

[Kosarev] How, in your view, could the social problems of servicemen discharged into the reserve be quickly resolved?

[Borovoy] State programs for their adaptation to civilian life are needed, as are laws determining servicemen's

rights. It was traditionally Russian giving the military land. You have done your duty, take some land to build a home and grow something or other. The military is composed of people who know how to work. They retire in their prime, when real work is only just beginning. We need merely to assist them. The commercial structures are already doing so. In Kaliningrad, St. Petersburg, and other cities we are organizing special courses for retraining officers who have been discharged or who are preparing for discharge from the army and teaching them new occupations for work in the business sphere.

[Kosarev] And the final question—concerning conversion. How do you evaluate its progress?

[Borovoy] The attempts to undertake conversion at defense enterprises while keeping them within the system of the military-industrial complex have produced no tangible results. In our view, and we have recorded this in the party's program documents, conversion today is possible by one method alone. This is the complete withdrawal of large-scale defense industrial combines from the system of the military-industrial complex, the release of the state from all concern for them (except for the system of military contracts, which is accepted worldwide), and their orientation primarily toward the world market.

[Kosarev] Thank you for the interview.

Koryagina on Need To Integrate Socialist, Capitalist Theories

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[Report on interview with Russian People's Deputy T.I. Koryagina by N. Garifullina and L. Gladysheva, at the SOVETSKAYA ROSSIYA editorial office; date not given: "Russia Has Been Thrown a Historic Challenge"]

[Text] Tatyana Ivanovna Koryagina, people's deputy of Russia, economist and political scientist, is well known to readers of our newspaper for her keen analytical articles and the firm position of an honest individual championing the interests of the people. A meeting with Tatyana Ivanovna took place recently in the SOVETSKAYA ROSSIYA editorial office. It was a discussion about the harsh truth of our life worrying people and society and about the country's problems.

[Question] Following the Sixth Congress of People's Deputies, many politicians, the president included, predicted that all would be resolved by fall. And here fall is approaching, that same fall. How, in your view, will events in the country develop, primarily in the economy and in society, what cataclysms await us, against what might people protect themselves, what is your advice to them? The editor's mail indicates that people no longer accept any kind of pacifier. They want to know the real picture of the processes occurring in society. In a word, your forecast. Tatyana Ivanovna!

[Koryagina] It seems to me that the final phase of what has been happening as of 1990 is approaching. All the programs of the political and economic disarticulation of the Soviet state, already realized in full or realized only partially, have come together into a mass of nerve tissue. The purpose is entirely definite and no longer concealed: ensuring that the collapsed Union no longer rise and that a potent-state-oriented Russia with its healthy, independent economy—the objective basis for the national revival of the state—not be reborn from its conception.

The price "liberalization," which was implemented administratively, was a stage in the channel of this anti-Russian, antipopular policy and has shown the essence of the present authorities most fully.

The next stage toward which Russia and all of us together have been pushed is privatization and the attachment thereto of voucherization. The people have understood precisely this means the filching, pilfering, and destruction of the state sector of the economy, and it is virtually all state-owned with us. But the authorities understand also: they will have "their" proprietor—there will be someone to support the revolution which they have mounted.

I am sure that in the way that it has been conceived general privatization will not come off—it will founder in the popular resistance to the plunder of the capital created by the people. The same with the vouchers—the people will not accept these "black" cards.

Russian fundamental interests lie in an entirely different direction. Whatever efforts are made to disparage Russia, it was and remains a civilized country. It is inconceivable to undertake some reformatory and modernizations of society by removing from the people their natural rights thanks to a horrifying impoverishment.

It was obvious two years ago even that the modernization of society, which was possible only given the participation of the CPSU, will not now occur painlessly and by the revolutionary-evolutionary path and that the "democracy" which has come to power will undertake primarily structural reforms, more precisely, an urgent systemic change of all that exists in Russia. But here, in Yeltsin's support for the "500 days" program, was the democrats' first loss.

And their political defeat, however strangely, set in, in my opinion, in August last year, when the antistate counterrevolution, which had been proceeding secretly, was legalized. Yes, it looked like their victory. But of what kind? Pyrrhic! In the sense that they had, were obliged to accelerate the realization of all their destructive plans—this is what we all have now, in the fall of 1992.

Yes, of course, you can take everything away from people: work and bread and hospitals and even the right to live. We are seeing today how savagely, how immorally the working people are being expropriated. But you cannot, it is impossible, take from the people their

primordial, permanent, unfallen, imperishable moral values of goodness, conscience, justice, honor, truth, and self-sacrifice—all of what constitutes the Russian soul.

The historic challenge which has been thrown Russia has been thrown economic science also. It is faced today with the need for a more in-depth rethinking of all of Russian history and the 70-year Soviet period. We in science have somehow become accustomed to adopting a very superficial attitude toward socialism, not broaching the deep-lying issues. I am convinced that just as it was fundamentally wrong to categorically reject the capitalist production mode, today's denial of the socialist mode is profoundly mistaken also. A new synthesis is needed, and it is lacking in world economic science, and this also is a kind of crisis. Had we a positive theory, the destruction of dogmatic socialism would not degenerate into the building of thieves' capitalism.

But the destroyers' have no theory either. Were it otherwise, the analysts of Western intelligence strategic centers engaged in the mission of destruction in our country would have realized long since: No, the path we had trodden was not in vain. They would have recognized against what a powerful, hidden force they had raised their hand, they would not with such airiness have modeled our life in terms of the type of development of Chile or South Korea. Not understanding Russia or what is happening in it and having no idea as to how, generally, the world will be living in the 21st century, they simply will not grasp that you can no longer intimidate anyone with threats.

The invasion of foreign forces has as yet been at the organizational-banking level, it has somehow not caught the eye and has not, seemingly, intruded into our day-to-day life even. But the people's intuition was at work, for all that, before we were engulfed by propaganda of mass privatization and before we held out our hands for a pitiable handout—a R10,000 voucher. This is today even an obvious victory, even if negligible as yet.

For a complete recovery of our sight we need a more tangible, spiritual victory and a distinct awareness that we are a great, not a servile, country and that we have sufficient intellect to manage our country ourselves. We recall how we had after the Great Patriotic War to restore on ashes and on ruins industry, agriculture, science, and culture. We did all this ourselves—with our own powers and our own intellect and hands.

Comment from the floor:

Tatyana Ivanovna, there is a feeling that we have forgotten how to work well and conscientiously in recent years.

[Koryagina] Perhaps so, there is evidence of an even greater revulsion from labor currently. Nonetheless, the creative spirit is alive. If the nation is inspired, if the nation is uplifted, people will stand at the machine tools and go to the construction sites.

[Question] An orientation toward self-reliance presupposes the prudent exclusiveness of our economy also.

[Koryagina] Yes, of course. Very strict control is needed initially, and only then openness. When we, for example, open up and move toward world prices, oil and energy immediately become expensive, and food and everything else immediately become more costly. American colleagues once expressed in conversation with me the following warning: In terms of foreign trade turnover you should not go beyond 10 percent of your gross national product, for even the developed Western countries have in the past 20-30 years added literally one percentage point each to expansion.

But this is by the by. The main thing for the present is that a life-saving protective reaction of the social organism invariably works, is already working, in our people: Our national mentality remains basically communal, collectivist. Let us turn to the experience of the Stolypin reforms, which in 10 years, however Stolypin tried, engendered in the way of individual peasant farmers little more than 10 percent. Communal land use even now constitutes the basis of our rural economic management, and the communal and group approach are the spirit of Russian man. Will the anticipated and programmed decollectivization come off with us? It did not before. It has not now.

In a word, it cannot be that the whole country, all outfits, the cities and villages, and the entire intelligentsia will remain paralyzed for long. The question of sovereign-state pride and responsibility, at whatever level it be posed—that of the corps of directors or kolkhoz chairmen, the workers, or artistic ensembles—is already on the agenda. This also is a factor of our emergence from the crisis.

[Question] Tatyana Ivanovna, you warned at the time of the last two congresses that price liberalization under the conditions of state monopolism in the economy would lead to hyperinflation.

[Koryagina] Yes, we forecast hyperinflation. The West forecast it also. The rate of inflation is superhigh, but could have been even higher had the domestic economy not resisted hyperinflation. Although, how much of everything, it seems, has come crashing down on us: price increases, the decline in production, the increased shortages... An even bigger decline in production lies ahead. The disintegration of the Union, the rupture of economic ties, and the departure of regions with monopoly possession of certain raw material resources such as, say, cotton are intensifying the already severe development of the crisis. It seems to me that we have unfailingly to have a reform freeze period. We need to slow down and freeze both privatization and prices. This would undoubtedly lower the temperature in society to some extent. And if we proceed from the fact that a national, potent-state-oriented government is coming to lead the country...

Comment from the floor:

Has it already come?

[Koryagina] It will inevitably come. I am an optimist here. There is no other solution, otherwise there will be civil war.

So a popular government will come and determine the main directions of action. They should be strategic and geared primarily to maintenance of the people's living standard. This popular government will inevitably introduce the monopolization of foreign trade and undertake the strict state regulation of all that could rapidly accumulate resources and channel them into the bottlenecks.

Investments will be channeled primarily into the countryside—privileges via cheap credit and taxes. As soon as the countryside understands that "our people" have, finally, arrived, as soon as it sighs with relief, this is the time to turn to the city and say: Look, the country is providing you with inexpensive food and raw material, so you also drastically reduce the prices of your products. And then all privileges would be going to stimulate reductions in expenditure, not an artificial increase in costs, as with the price liberalization. Subsequently purposive state policy in respect to the tax system.

The main thing is that everything should be directed toward the speedier stabilization of society's living standard. It would seem to me that there will be no big problems here. I know that this will seem strange to you but I am sure that our country is capable of overcoming the devastation quite quickly.

We need for this to go back a year, to 1989, approximately, when the reform was outlined—profound, large-scale, and corresponding to society's expectations. And it is from this reference point that we could begin to move forward on a large scale. But, under state control. And as soon as cautious radicalism, so to speak, radicalism with historical responsibility, wins out and when freedom and responsibility are combined in one, this will be a spiritual victory also.

Add to this the fact that our people are marvelously unspoiled. Ensure the unrestricted sale without lines, of three or four types of sausage, milk, and vegetables at a normal price, and this will inevitably be taken as a sign of which people are greatly in need—we are finally emerging from this hell, they would say.

Comment from the floor:

And bread would be at a fixed price every day.

[Koryagina] Yes, but at first simply the fixing of the price even, and then its reduction. Albeit slight, the trend itself would create confidence and hope in society.

I am rereading Stolypin, incidentally. Speaking of reform, he emphasized in parallel: stability, stability, and stability. While a bold reformer, he was nonetheless prepared to abandon any steps if they might destabilize society. This is a very wise state-minded approach.

[Question] Tatyana Ivanovna, let us talk about the actions of the opposition and the people's masses in order for the period of restoration of the national economy to commence as quickly as possible.

[Koryagina] If you are referring to the alignment of political forces and parties, here I am a pessimist. Of course, the policy of the pluralism of political life is correct. But our parties are as yet, after all, the equivalent of a newborn child. They will resolve nothing without a broad public movement. It seems to me that we should orient ourselves toward broad organized public actions via the production outfits.

Today's authorities are, in fact, criminal authorities. Bear in mind in addition that the West, which has gambled on these authorities, would in the event of their defeat lose all too much. It may be confidently maintained, therefore, that the use of force in respect to those opposing these authorities will be total. The opposition should understand this.

[Question] It is a question of strategy and tactics and the joint actions of the parliamentary, political, worker, peasant and, finally, "street" opposition.

[Koryagina] I refer to the strategy and tactics. They must be meticulous and thought out down to the finest details, and the maneuvering, swift and adroit. It seems to me that an opposition organized, specifically, via Working Russia could be successful here. Vigorous actions are, of course, necessary. The confrontation at Ostankino, which played a part, subsequently moved into concealed, prepared forms. People have been withdrawn from the squares, and this is right because ultimately each life is precious, and the events of, say, April 1989 in Georgia showed how dangerous and unpredictable in terms of its consequences confrontation brought to the point of a physical clash, to people's loss of life, is.

The authorities are today attempting to neutralize the public malaise and the political opposition by every conceivable clever maneuver. Increased subsidies, for example. The allocation to the military-industrial complex of more than R10 billion in subsidies has already been announced—this, in particular, will affect very many people who live thanks to defense industry. It is madness, however, when this "defense" city or the other is living entirely on unemployment benefit. Money for additional fertilization is now being thrown into these potential focal points of instability, in order to fragment the united front of civil resistance.

Remarks from the floor:

Your forecast would be more optimistic were the working class now organized. But this is not the case. The structure of the Communist Party has been destroyed. All the other parties and movements are small as yet. The trade union structures have in the period of so-called denationalization by no means become the spokesmen for the working people's interests. The lack of the shopfloor and vertical organization of the working

class could lead to the protests against privatization—and there inevitably will be such—assuming a spontaneous nature. And the present authorities would avail themselves of this in order to realize privatization and their entire predatory antipopular policy via force and subjugation. In this case I am not an optimist.

[Koryagina] Then take a closer look at what in fact today's authorities represent. There is a seemingly strong Kremlin, strong authorities, seemingly, have been installed in some cities—Moscow, St. Petersburg.... And, after that? The authorities have no all-around support.

Now imagine that these authorities embark on unleashing violence on a large scale. Yes, the opposition could be suppressed by violence, but the people are not the opposition, they are civil resistance, and this could not be suppressed.

And if there is violence, for all that, well, it would in this case be a question of a radical formulation of the question of the power of the political opposition, which in parliament and at the congress, say, is today represented by more than two-thirds of the vote. Those who at the fifth and sixth congresses did not vote for the resignation of the present leadership, from the viewpoint of the long term, acted wisely, in my opinion, realizing that the process of the maturation of these black authorities should occur naturally. And it has done so.

If public resistance is stepped up, if the public protest "props up" the parliamentary opposition "from below," there will be a congress at which we simply announce an impeachment. And then it would be a question of whether the army would follow an illegitimate president. Only we—the deputies, the congress—would be legitimate. And as long as there is the congress, the possibility of constitutional disconnection from the power of antipopular forces remains.

I do not say that all will happen this easily and of its own accord. But the crisis is growing, and the further today's authorities creep into the present hungry winter, if there is, in addition, an energy crisis... People will be living so badly that the specter of both the Razin and Pugachev campaigns will emerge. If, however, the authorities settle for blood, this step would be the last straw. We would collect deputies' signatures and convene a special congress.

Comment from the floor:

And the president would simply break up the congress! He says that no one, other than the Lord God, can, on the other hand, remove him.

[Koryagina] This would be the worst version of the possible development of events, but it would be just as futile for the authorities: It is impossible to pursue a global antipopular policy for any length of time by force. Yes, the authorities really could install a military dictatorship for a certain short space of time. But were this to be the case, the people's armed resistance would be

inevitable. When the Whites fought the Reds, the Whites had, after all, an idea: They were fighting for Russia, and some, for their fortunes also. The Reds also were fighting for an idea and so that they might from indigents become normal people. But our present authorities have absolutely no ideas, other than words to the effect that we must become an enlightened great Russia.

[Question] Allow me to disagree. They have an idea, a goal. They are tackling one main task—the transfer of property into their hands. And they undoubtedly have an interest, and some interest it is! They will defend it and realize it in all ways.

[Koryagina] I agree, although we differ in our assessment of the potential readiness. Whether their goal and their ideal are realized or whether other forces will win will depend on this. It seems to me that the denudation of their goals and tasks has already occurred so manifestly that the entire country cannot be paralyzed. The people understand that the potential criminals are not those in the "Matrosskaya Tishina."

I would like to say in conclusion that when Yeltsin acts as God's anointed and says that only God can remove him, it transpires that the president himself does not know the Russian Constitution.

Market Economy, Price Control Not 'Mutually Exclusive'

92442042A Moscow ZEMLYA I LYUDI in Russian
No 35, 28 Aug 92 p 2

[Article by E. Sagaydak, doctor of economic sciences, chief of the Department of Price and Financial-Credit Relations of the All-Russian Scientific Research Institute of Agricultural Economics: "The Market Does Not Preclude Price Control"]

[Text] Entry into a market economy is taking place in a painful manner for all categories of enterprises and segments of the population. This process is taking a particularly complex form in the agrarian sector which is to a great degree linked with the monopolistic position of resource-providing and processing branches of industry. For the sake of fairness it is necessary to stress that such a situation formed historically within the framework of the administrative-command system and even then exerted a negative influence on the activity of agricultural enterprises.

The production of "Don-1500" grain combines, for example, was concentrated at the "Rosselmash" Plant. The raw material zones of enterprises of the processing industry formed in the same manner with the corresponding administrative assignment of agricultural raw material producers to them.

The monopolists are also existing in poverty

The occurrence of monopolies in branches providing agriculture with material-technical resources as well as in

branches processing agricultural raw material took place not as the result of competition or a contest but in consequence of rigid administrative territorial-production division of labor which in theory was substantiated as the planned organization of production. Under conditions created by the shift to a market economy this led to problems for the enterprises-monopolists themselves, especially with the sale of their products. Monopolism is being manifested in a particularly perceptible way at the present time in the establishment of high prices for industrial goods for the agrarian sector with relatively low prices for agricultural products being sold to the state.

At the same time, the growing market, even though in a very painful form, did show an interrelationship between all partners of the agroindustrial complex and particularly with the state of the purchasing power of the population. Before liberalization of prices the agricultural commodity producer was not interested in the state of the market for the finished products (with the exception of the sale of individual fresh products). His economic and social position essentially was determined by government support through a system of fixed procurement prices and other measures. The economic position of processing enterprises (the level of expenditures on their production) to a significant degree was determined by budgetary subsidies at the stage of the acquisition of agricultural raw material, which diminished their expenditures correspondingly restraining any rise in retail prices for the most important foodstuffs for the population. Enterprises in the resource supplying branches, providing their products at fixed and partly at contract prices, were even farther removed from any link with the effective demand of the population.

With the liberalization of retail prices the population (particularly the urban population) saw in practice the significance of the agricultural commodity producer's labor and the direct link between the increase in expenditures on the output of production and the rise in prices for it. Recognition of the interdependence between producers and consumers is an important practical and psychological result of the entry of the agrarian economy into the market. This process, however, is taking extremely painful forms.

State control must play a decisive role in softening its acuteness and producing effective results from the development of market relations. Structural changes are required in the strategic plan as well as in the agrarian sector and in the economy such as the development of various forms of ownership and management together with optimization of the structure of capital investments and other means directed at development of the material-technical base for storage and processing of agricultural production, and at the purposeful financing of scientific-technical programs for the countryside. Otherwise there will be an increase in the need for monetary funds for purely compensatory purposes coupled with an intensification in the disproportion between the cost and

natural-material aspects of the process of production, that is, inflation will become worse.

If a parity mechanism is introduced

It is feasible to utilize the experience of price control in agroindustrial production acquired in countries of the European Economic Community (EEC) but with consideration of the specifics in the development of the agrarian sector in Russia as well as the food deficit. One of the principal goals of such control is the achievement of price parity between agriculture and the resource-supplying branches and support of profitability of enterprises for the purpose of expanded reproduction. For that purpose, in our opinion, it is necessary to ensure the following:

- day-to-day monitoring of the movement of prices for industrial means of production and services, for agricultural products and products of the processing industry, as well as retail prices at the republic, regional, and local levels;
- adjustment of the mechanism for supporting profits of agricultural commodity producers under conditions of market relations;
- coordination of price and financial-credit policy of Russia on food and raw material markets with other Commonwealth countries;
- comparative evaluation of tendencies in the movement of prices (and of their consequences) on the world market for agricultural food products and the main industrial commodities in Russia.

It is feasible to carry out price control through a system of free contract and state controlled (guaranteed and ceiling) prices. Free market prices form with consideration of demand and supply at the moment of sale of the products. Contract prices are established on the basis of previously concluded agreements between the supplier and whoever orders the products. In determining the level of these prices it is advisable to take into account the effective demand for the finished products as well as the possibilities of local budgets to maintain prices of final consumption at a certain level. Contract prices may be corrected upon mutual agreement of the partners with consideration of changes in expenditures on production and on the sale of products as well as in market conditions. They should be utilized in payments for both mandatory deliveries of agricultural products and in other kinds of purchases by state and other commercial procurement organizations. These prices should not be used to limit the level of profitability while also avoiding the imposition of additional taxes on excessive profits of agricultural commodity producers. Prices forming on the exchanges may be used for reference in the formation of contract prices.

Guaranteed (protective) prices should be introduced for agricultural products sold independently of the buyer as mandatory deliveries and additional quotas

that are established for supplementing state food resources. The level of these prices must ensure reimbursement of losses at farms in the relatively poorer regions in the main zones of specialized commodity production as well as the acquisition of a profit for expanded reproduction. It is also necessary to ensure their quarterly indexation for the purpose of maintaining price parity and reimbursement of agricultural expenditures for material-technical resources and services that are not compensated, and for any changes in percentage rates in taxation and for credits.

The absence of prices determined in a timely manner, guaranteeing agricultural commodity producers reimbursement of losses and acquisition of adequate profits for expanded reproduction, is a destabilizing factor inasmuch as it creates uncertainty among producers of agricultural products as well as their processors. Grain, the basic agricultural product, the price for which (and correspondingly, the price for final products—bread for the population, mixed feed for animal husbandry) is determined under conditions created by a harvesting operation already in progress, constitutes a typical example.

In the interest of the producer and consumer

Recently the government initiated measures for the financial support of the village which by their very nature are subordinated to the same goal as the guaranteed prices and are directed at the compensation of additional expenditures. The decision was made to subsidize animal husbandry products sold for state resources in the current year and the compensation of expenditures of agricultural commodity producers for energy resources. The reimbursement of agricultural commodity producers out of the republic budget in the amount of 40 percent of the cost of agricultural equipment disposed of by them in counter trade for agricultural products that are sold in excess of the mandatory deliveries must be regarded as an important economic measure. Unfortunately these measures were undertaken after a certain delay.

Resolution of the problem connected with the use of agricultural products as security is also being delayed at present. At the same time that would allow agricultural commodity producers to obtain interest-free loans with their products as security, while making more efficient use of available capacities for their storage and supplementing the food market. The resolution of this problem is connected with the question about the establishment of security prices which, in our opinion, must be higher than the guaranteed prices that are offered while reflecting the dynamics of market prices.

At the same time the great variety of natural and economic factors in Russian agriculture makes it feasible to have a regional approach to the problem of formation of guaranteed and security prices. In that way, in my opinion, it is important to regulate retail prices for the most important foodstuffs as well, with consideration of

the possibilities of local budgets, particularly under conditions when these prices are set at the republic level.

As far as ceiling prices are concerned they may be set in the form of retail prices for the most important foodstuffs as well as wholesale prices for the products of resource-providing branches (including supply-marketing organizations). Their use must be designed to protect the interests of consumers and prevent excessively high profits for monopolistic enterprises.

Such an approach does not mean the rejection of market mechanisms and a return to former methods of management. But taking into consideration the peculiarities involved in the transition to a market economy in our country, the disorganization of economic ties between branches of the APK [agroindustrial complex] and the need for social protection of the population, it is necessary to utilize some individual previously employed elements of state economic regulation. Primarily this applies to the production and sale of cereal products. Calculations made with our participation, indicate that with the average purchase price for wheat in the amount of 10 rubles per kilogram the retail price of a kilogram of wheat bread comes to approximately 30 rubles. The social significance of bread as the basic foodstuff for the population of the country, and an increase in its specific share in the structure of consumption in connection with a significant increase in the price of milk, meat, and their processed products, as well as other foodstuffs, in our opinion, excludes a mechanical increase of prices up to such a level.

It is also impossible to disregard the fact that a rise in prices for grain conditions an increase in prices for mixed feed and, correspondingly, a hike in the production costs of animal husbandry. On the other hand, the further increase in the cost of material-technical resources, an expanded demand for grain, the possibility of exchanging it through other channels (the exchange, barter, etc.) compel the agriculturists to strive for a rise in prices for it. What is the way out of the contradiction that has been created?

It appears to be a temporary return to the practice of establishing fixed accounting prices for grain (lower than purchase prices) for procurement organizations purchasing it for state resources, with subsequent compensation of those organizations for the difference between the purchase and accounting prices out of the republic budget. Such an approach may be an important restraining factor preventing a rise in prices for bread. A similar order in the interests of developing animal husbandry may be utilized in the purchase of grain by enterprises in the mixed feed industry.

The employment of subsidies from the budget coupled with general measures of social protection, as a temporary step, will make it possible to ensure stimulation in the development of the agricultural complex and a decrease in losses of the population resulting from increased retail prices.

High Food Prices Encourage Sale of Spoiled Goods

934A0001A Moscow TRUD in Russian 1 Oct 92 p 1

[Article by Nataliya Filimonova: "Is It Worth the Risk?"]

[Text] A woman phoned the editorial office: But why is it, she said, that this newspaper is silent about the fact that merchants and peddlers are selling meat in Moscow that is contaminated with bull tapeworms? It is said that if you eat that kind of meat, it causes huge intestinal worms that attain a length even up to 15 meters.

"There are no 'bull tapeworms' in Moscow," says Irina Piskareva, head of the department of the state sanitary inspection organization for feeding the population of the Moscow city center Gossanepidnadzor [state sanitary and epidemic inspection]. "But there are enough other delights. With the increase in prices even in state trade, the amount of commodities with expired fit-for-consumption dates increased. In August alone, we removed more than 17 tonnes of food products from sale. For example, 287 packages of meat dumplings, 90 kilograms of meat items, 15,276 kilograms of dairy products, 1,283 kilograms of sausages..."

In I. Piskareva's words, it is very dangerous to buy food products "off someone's hands" and in commission stalls—they frequently trade there in random and stale commodities. This refers especially to meat.

The work reports of the inspection service state: The cooperative Valeriy and Company was closed for selling shashlik prepared in unsanitary conditions; in a booth next to the Profsoyuznaya metro, a batch of jars with baby food was confiscated, and next to the Sokolniki station, trade in fruit and vegetable products of the local enterprise Dostlug was prohibited—there was no certificate of quality. In store No. 54 of the Eastern District, several hundred packages of spoiled domestic cheese were found; in dining hall No. 13 of the Southwest District, there were 1,000 kilograms of spoiled Odessa sausage. All of this constituted a danger to the people's health.

The conversation with the department supervisor was interrupted by a report by one of the female employees: "We have an outbreak!" It seems that 103 pupils of Tushinskiy Rayon, after having lunch in the schools, came down with Sonne dysentery. The source of the contamination—the school dining hall center.

Readers Question TRUD's Commitment to Trade Unions

934A0001B Moscow TRUD in Russian 1 Oct 92 p 2

[Letters of V. Listikov, secretary of the FITUR council, and N. Filippov, trade union member and retired fighter pilot, followed by a TRUD commentary: "The Reader Is Our Chief Judge; Why Some Leaders of the Federation of Independent Trade Unions of Russia Resent the TRUD Editorial Staff"]

[Text] Recently, different trade union officials have tried in their public presentations to press the thought on listeners and readers that, they say, the editorial staff of our newspaper "has changed its direction" and is becoming a mouthpiece for the government. In addition, subsidies from the state budget is named as one of the reasons. The readers of TRUD have also noticed a definite "cooling" in the relationship of the editorial staff with the FITUR [Federation of Independent Trade Unions of Russia] staff. In this connection, we decided, for the sake of a public clarification of the truth, to present points of view on this question available from the editorial mail.

The newspaper TRUD, which until 1990 was the official organ of the AUCCTU [All-Union Central Council of Trade Unions], is now independent. However, as a result of the price orgy, the most readable newspaper in the country ended up under the heaviest economic pressure. Enormous funds were needed, but the former GCTU [General Confederation of Trade Unions] did not have any at all.

And then the funds were found in the government of Russia. And although the newspaper claims in its articles that, as before, it stands in the defense of the interests of working people and trade union members, life, alas, is not in complete agreement with this.

Not that long ago, TRUD published the polemical review "Bread Is Not Baked at Rallies"—regarding FITUR's July announcement. In it, author F. Yemchenko accuses the trade union center of Russia of indiscretion and an overestimate of the ability to consolidate its workers around its slogans.

The days of unity of actions—an absolutely new massive action for the trade unions that is one and a half years and three attempts old—is assessed by the newspaper as the inability to overcome the separation of the center from the "lower strata," and as a fairly significant dissociation. Thanks at least for what was also said about a similar opinion by the federation itself. Although it was first.

Actually, FITUR is not overestimating the effectiveness of these "days," but it does not intend to abandon them. For the reason that it was exactly in the course of their preparation that the workers, who represent various branch and regional trade union associations, learn in detail about the attitudes and needs of neighbors, and about each others' positions and demands.

It seems that the idea of the "days" prompted the branch and regional trade union centers to establish extended associations—associations of Russian trade unions. Undoubtedly, these narrowly specialized detachments will operate more effectively, defending general demands and rights.

The June demands of the FITUR council for the elimination of wage indebtedness to millions of workers and for a resolution of the problem of the insolvency of enterprises, about which the author of the polemical

review speaks with such disdain, are by no means an invention of the federation council. The Northerners, who have not received wages since April, were the first to sound the alarm. But, afterwards, it was also the oil workers, the weavers, and representatives of other branches. For the newspaper's author, the 6.7 percent of those polled who expressed themselves for the beginning of strikes is a mere trifle. But, after all, this is more than a half million people who have been driven to despair.

The editorial staff also did not see anything remarkable in the fact that now the notorious "center" is operating in a way that is completely opposite of what it did before: First it asks the opinion of primary organizations, and only after explaining it does it make a decision.

This is a new form of work for the Russian trade unions. And not only new, but also troublesome and expensive. However, it was the poll that made it possible to check and correctly adjust the actions of the central trade union organs, and it gave them confidence in the work with the Russian parliament and government. This is the main thing. But not at all what the author of the review saw in this action.

It would be very undesirable for the Russian mass newspaper of the workers, peasants, and intelligentsia, a newspaper of laborers, to "knock" the trade unions out of hand to please the government's leaders.

[Signed] V. Listikov, secretary of the FITUR council

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I am under 70. I am a veteran reader of the respected TRUD. I have always respected our newspaper, and I respect it now as well. However, one alarming thought, which was born somewhere at the beginning of the year, and which now comes to mind more frequently when I read our own newspaper, compelled me to write a letter to you: What is happening? In my opinion, the newspaper is distancing itself from the trade unions, and the trade unions—from the newspaper.

I began to analyze the articles of the newspaper, and I noted that the editorial staff has begun to write less about trade union affairs. It is not raising problems associated with the social protection of the workers as sharply as previously. On the whole, it is as interesting as it was before, but the traditional "labor" face is changing, in my opinion. I noticed that the newspaper has begun to criticize trade unions more and more frequently. Well, perhaps not the trade unions themselves, but their leadership, and first and foremost, the leaders of FITUR. Much that is written is correct, but frequently does not some kind of slant creeps in?

Obviously, there is a misunderstanding between the FITUR and the newspaper's leaders of each others' positions, but, perhaps, a conflict as well. I do not know whose purpose this serves. Hardly that of the readers. We want TRUD to remain a militant trade union newspaper, defending the interests of the common people.

Perhaps it makes sense for this purpose to attempt to restore the establishment of a trade union organ? In addition, it would be more logical if this would be FITUR, as the most massive association of the trade unions of Russia. This would help the preservation of the unity of the trade unions and their printing organs.

Respected and Dear Comrades Klochkov and Potapov, do this for our sake and for the sake of your readers.

[Signed] N. Filippov, trade union member for 40 years and former fighter pilot of the 171th Tula Fighter Regiment, and lieutenant colonel in the reserve

...

Commentary of the Department of Trade Union Life

We are very glad that the fate of a popular newspaper worries our readers—this is a reliable guarantee of its durability. Nevertheless, let us look into just how just some of the complaints about the editorial staff are. Yes, today the founder of TRUD is the editorial labor collective. Why? There are several reasons, and we will name one—the former cofounder, or, as V. Listikov put it, “publisher,” in the form of the GCTU (before this, the ACCTU), in its time meticulously collected all of the newspaper's profits (and at that time, this amounted to approximately 60 million rubles [R] annually). At the same time, it did not concern itself with the creation of a material-technical base for the publication and for the social development of the collective. TRUD does not have its own printing shop, and the editorial staff works in leased premises. But when difficult times arrived (in connection with the colossal takeoff of prices for paper and printing and delivery services), and our readers could have been left without newspapers entirely, the leaders of the GCTU and FITUR threw up their hands: We do not have the funds—pull out of the situation by yourselves.

Yes, the president, parliament, and the government of Russia treated the needs of TRUD subscribers with understanding, as they did with a whole series of other independent publications—KOMSOMOLKA, IZVESTIYA, LITERATURKA, and NEZAVISIMAYA GAZETA, etc.—by allocating a subsidy to them this year for the partial compensation of unforeseen expenditures (in connection with runaway prices) in two instances: paper and printing. And only. In any case, not for the subsistence of the journalists. It is very important, moreover, that no one dictates to the editorial staff what and how to write. TRUD maintains its independent, critical position also with respect to the government (as well as with respect to the trade unions).

As for the trade union theme, really, “protocol,” the expansive personal accounts of the leaders of trade union organs, has disappeared from the pages of TRUD, which has a broad sociopolitical range. Unfortunately, some FITUR leaders have interpreted this as a “change in policy.” Well, we agree, if you keep in

mind that we resolutely reject the old scheme, when almost every step of a trade union leader was subject to treatment in the press.

Now, with regard to criticism directed at FITUR. We think that this is standard for an independent newspaper. The effectiveness of trade union actions can be assessed in different ways. But the most objective criterion, in our opinion, is real concern for improving the situation of the workers and firm ties with them. In this connection, meanwhile, you will agree, it is difficult to talk about any kind of trade union victories. Incidentally, in the article to which V. Listikov refers, the question was mainly about the fact that trade unions today do not have a clearly reasoned strategic program: What to do tomorrow, what the consequences are of one or another action, and how the trade unions themselves relate to the market. Life shows that the unfolding privatization of state property took the trade unions by surprise.

And here, of course, we should not resent each other, but try somehow to correct errors that were made. Which is what N. Filippov, the veteran from Tula, absolutely correctly advises us. But TRUD, of course, does not intend to break off cooperation with the trade unions, and, what is more, abandon the subject of social protection. Moreover, it is ready to develop and strengthen cooperation with trade union organs in any sphere of life, only not to the detriment of its own independence. We, we will add, will broaden the illumination of problems of social partnership, and, in this connection, we will actively write also about the roused entrepreneurship and about the culture of the relationship with it and the government, and of the trade unions.

TRUD is open to criticism, and to any wishes on the part of our readers—our chief judges, our support.

GCTU's 22 September Session Reported

924420324 Moscow TRUD in Russian 24 Sep 92 p. 2

[Article by the GCTU Information Service: “Position of Commonwealth Trade Unions”]

[Text] At a meeting of the executive committee of the General Confederation of Trade Unions [GCTU], which was held on 22 September, a discussion developed on the problem of the position of trade unions during the conclusion of agreements and collective contracts for 1993.

It was stressed that the prevention of the further reduction in production volumes was one of the main tasks of trade unions. For this purpose it is necessary to insist on the development in Commonwealth states of specific address programs for restructuring, to intensify the effect of trade unions on investment policy, to strive for the adoption of measures of economic incentives for the development of priority sectors, and to promote the restoration of production ties. When negotiations on the conclusion of agreements and collective contracts are

conducted. GCTU member organizations will strive for the development of state employment programs in every republic.

It was noted that social protection measures should be implemented without delay, according to the plan, and with due regard for the real situation. Trade unions will insist on an increase in income and demand the development and official promulgation of the mechanism of its correction depending on the price rise. Minimum wages, pensions, and grants must be calculated on the basis of the minimum consumer budget.

In the opinion of trade unions, emergency measures to stimulate the agrocomplex in order to increase the production of products and their sale to the state are needed. It was decided to embark on the establishment of trade-union consumer cooperatives at enterprises and in cities and oblasts for the sale of products without middlemen. A guaranteed priority supply of food products for children's preschool institutions, schools, and workers' restaurants should be determined in agreements.

Approaches to requirements for safe working conditions, the conservation of the natural environment, health protection, social security, and financing of the most urgent measures for the maintenance of the social and cultural sphere were coordinated.

The GCTU executive committee came out in support of the Federation of Independent Trade Unions of Russia for the organization in September-October of collective addresses by trade-union members and workers under the slogan "To Turn Reforms Toward the Working Man" and adopted a statement on this matter.

The executive committee examined the statement by the Presidium of the Federation of Independent Trade Unions of Moldova and unanimously adopted a decision on its admission to the General Confederation of Trade Unions as a full-fledged member.

Prices Rise 'Noticeably' in Second Week of September

924420328 Moscow ROSSIYSKIYE VESTI in Russian
22 Sep 92, p 1

[Article by Yuriy Pakhomov: "Prices Are High, but Counters Are Not Meager"]

[Text] Can a new spiral of a retail price rise be expected in the very near future? Alas, yes... Everything is interconnected in the economy. Naturally, the recent increase in wholesale prices of energy carriers will affect the cost of products of all other sectors and, consequently, those that produce foodstuffs and consumer goods. Industrial enterprises will take care of themselves—they are in a position to increase monetary payments to workers. With regard to budget organizations, pensioners, and disabled persons, they can count only on central and local authorities. Time will show whether the coefficient

of the 1.5-fold increase in the payments of "budget workers" will compensate for the coming increase in retail prices.

According to observations by Russia's Goskomstat [State Committee for Statistics], even during such a brief period of time as a week in 132 cities from 8 through 15 September prices of food products changed noticeably. The price of eggs rose sharply—by 17.2 percent. On the average, in retail trade eggs cost 29.1 rubles per dozen and on the city market, 39.4 rubles.

We observe a similar picture with respect to fish products, of which a shortage is felt everywhere. Their price rose by up to 6 percent and, as before, they are not available in most cities.

Bread, bakery products, and flour—our basic food products—hold third position in the level of price increase. Their prices invariably lead in their indomitable race. In a week the price of top-grade wheat flour increased by 6.7 percent. On 15 September the average price of rye bread throughout Russia was 11.98 rubles, of rye-wheat bread, 12.38, and of wheat bread from top-grade flour, 22.24 rubles.

The price of sugar beets, apples, onions, buckwheat, milk, cottage cheese, kefir, and granulated sugar decreased very slightly. Nevertheless, the price of 55 out of the 70 observed products increased.

On the average, from 8 through 15 September prices in retail trade increased by 2.6 percent and on city markets, by 4.5, although in many regions the population's provision with food products improved slightly.

The rise in prices of nonfoodstuffs and services continued. The price of knitted goods and footwear increased especially—by 18 and 24 percent in one week.

The analysis conducted by Goskomstat indicates that in 8 months (January-August) the price formation system in Russia has undergone fundamental changes and increasingly acquires features characteristic of the period of transition to market relations. More than 90 percent of all the goods and services are sold at free prices. As a result, the consumer price index—an objective indicator of the change in the cost of the population's expenses on products, goods, and services—in August of this year, as compared with December 1991, comprised 1,221 percent.

In one year (from August 1991 until August 1992) prices rose 15.6-fold, while the wages of workers and employees increased 10.6-fold.

As compared with July, during the last month of the summer the prices of the following increased to the greatest extent: flour, by 27 percent; bakery products, by 17 percent; hulled and macaroni products, by 11 percent; eggs, meat, and meat products, by 10 percent. However,



Key: 1. Rise in Prices of Consumer Goods and Services.
2. August 1991. 3. December 1991. 4. July 1992. 5. August 1992

prices on city markets decreased by 15 percent in connection with the seasonal products of the new harvest. Nevertheless, prices rose sevenfold as compared with August of last year.

In the sphere of paid services in August, as compared with December 1991, the level of prices and rates increased 17-fold and with July, by 12 percent.

In 8 months the fare of passengers using public transportation increased 6.3-fold, on the average, including railroad transport, 6.9-fold, air transport, 6.6-fold, motor transport, 7.4-fold, subway transport, 5.5-fold, and streetcar and trolley bus transport, 4.3-fold.

Decree on Nonstate Pension Funds Clarified

924A2058A Moscow *ROSSIYSKAYA GAZETA*
in Russian 29 Sep 92 p 3

[Report by Tatyana Kharlamova: "A Pension Provides Dividends"]

[Text] The presidential press secretary Vyacheslav Kostiko has reported that President of the Russian Federation B.N. Yeltsin has promulgated an edict on nonstate pension funds. The purpose of the edict is to improve pension provisions for citizens and to protect their savings against inflation. These funds will function independently of the system of state pension provisions. Payments for them will be made along with payments to state pensions.

So what are nonstate pension funds? How are they formed?

Mikhail Alekhin, Russian Federation deputy minister of social protection for the population, comments:

"The system for pension provision now in operation does not meet the demands of the market. It elicits many criticisms and needs reform. Provision has been made in the plan for the work of the Supreme Soviet in November to debate the draft law 'On Introducing Changes in Pension Legislation.' Nonstate pension funds constitute one of the three elements of the new system

for pension provisions worked out in accordance with a program to deepen the economic reforms approved by the government of Russia.

"Let me try to explain in simple terms. The members of your collective have decided to create a pension fund and have voluntarily paid money into it, some by the workers and a larger proportion by the enterprise. The initiative group concludes a contract with a company that handles this money. The company should, of course, be reliable. Commissions will be set up that are obliged to check and guarantee this reliability. When it makes a profit from using the contributions, the company takes five percent for itself, and the remainder is transferred to the personal accounts of the depositors."

Implications of Standardized Wage Scales Examined

924A2058B Moscow *ROSSIYSKAYA GAZETA*
in Russian 29 Sep 92 p 8

[Article by Natalya Polezhayeva, chief editor of the journal *SOTSIALNAYA ZASHCHITA* and the newspaper *VASHE PRAVO*: "A Single Rate Scale"]

[Text] A piece entitled "We Are All on a Single Scale" (*ROSSIYSKAYA GAZETA* 26 September) generated many telephone calls and telegrams. The upcoming wage reform is of interest not only to workers in budget-funded organizations, but also to representatives of enterprises and organizations, whatever the form of ownership. For all of them we can report that the single rate scale and package of documents with explanations will be published in the newspaper *VASHE PRAVO*, while the journal *SOTSIALNAYA ZASHCHITA* will carry the single rate scale [SRS], and also a list of categories of workers in sectors of the budget-funded sphere and the range of rates, and other documents will be reprinted in the newspaper and journal in January. In subsequent months, we will be publishing explanations on application of the SRS in the various sectors, provisions on certification and establishing rates for occupations and posts, and other materials on the wage reform. In addition, a great deal of space in the newspaper and journal will be given over to changes in the Code of Labor Laws adopted by the Russian Federation Supreme Soviet, and on pension and tax legislation. (Departmental subscriptions have been opened for these publications, index numbers 50032 for the newspaper, and 71090 for the journal. Individual subscriptions are also being accepted.)

What does mama do? (remember the nursery rhyme?) All kinds of things. So how do they differ one from the other? First and foremost, by the degree of complexity. The duties of a post depend on this. They require a certain amount of training and a certain level of education. And there are other concepts, such as the content and nature of the work done, variety and uniformity and monotony. There is the degree of independence, the level of responsibility. And when there are subordinates, a person must know to manage them

All these factors will be taken into account in the job specifications. Each position and occupation is being evaluated. The result of that assessment becomes the prescribed category. There is a total of 18 categories. Workers' occupations are spread from 1 through 8, and the duties of office workers from 2 through 18.

Employees work in various sectors and engage in various kinds of activity. This is determined by the functions carried out—technical executors. No matter where they may be assigned, the work is essentially the same. So unified rates are established for them. For example, no matter what the organization in which a secretary-typist works, the same work is performed. Her grade may be 3, while for a typist (except for an editorial typist) it might be 3 or 4, while for a secretary-stenographer, the grade is 4 or 5.

The work of specialists in the various sectors is more complicated. Here it is necessary to take into account the existing relationship with respect to wages. We note only that the longer period of college training for some specialists has been taken into account (for example, physicians, programmers). Programmers, for example, are in a very broad range of grades, from 6 to 13. The same is true for designers, technologists, mathematicians, and architects.

Managers will also be included in the grades. There is also a bracket for them depending on the nature and content of the work. For a foreman in a section, for example, the range is from 6 to 11, for a section chief, 7 to 12, for a department chief 9 to 13, and so forth.

In order to use the scale, it is necessary to conduct certification and set rates for work and workers. Commissions will determine the skill level. We note that in an evaluation, primary use must be made of the skill categories. They may be linked directly to an established grade. Up to now, some duties have not been placed in categories. Now the range is being extended.

Rate coefficients increase from one category to the next. In this way they reflect the differences in the complexity of labor. On the other hand, in order to earn more workers must enhance their skills.

With the help of the Single Rate Scale, rates and emoluments are calculated for normal working conditions. They are in the nature of a state guarantee, and they define the minimum level of wages for specific occupational and skill groups of workers. What is intended is that a worker observes length of work time established by the labor laws and carries out his duties (work norms).

The scale will be used on all territory of the Russian Federation but applied only to workers in the budget-funded sphere. Other enterprises and organizations may use the scale; this is their right, but not their obligation.

Minister on Health Care Sector Challenges

924C2421A Moscow LITERATURNAYA GAZETA
in Russian No 39, 23 Sep 92 p 10

[Interview with Andrey Vorobyev, minister of health care of the Russian Federation, by A. Tarasov, date and place not given: "A Heart Attack Knows No Geographic Boundaries—and Neither Should Doctors"]

[Text]

[Tarasov] Andrey Ivanovich, here is an immediate first impression—perhaps a passing one, but rather symptomatic. Your building looks more deserted. In the past, it used to be swarming with supplicants in the lobby, in the corridors...

[Vorobyev] As recently as a year ago this building was serving the entire Union. Also, tickets are getting more expensive, so our home folks in the Russian oblasts have to turn more to local medics, although if there is something serious, you know, people are not deterred by any expense...

There is, however, another, more fundamental, reason that is rooted in the organization of health care itself. When the specter of lack of money started to loom over it, what could we do? We immediately let the medical organizations have absolute financial independence. We have stopped running health care as if it were our fiefdom, as was done until recently. We no longer impose the number of beds to be maintained or the financing "within the framework" of this number of beds. Moreover, the budget for regional medical facilities, the regional budget, is considered separately from the central budget of the Ministry of Health Care, the latter being earmarked directly for its institutes and several clinical hospitals. In other words, a regional budget is formed on the basis of local line items, local taxes, and, among other things, is placed at the disposal of the chief physician and his collective, who now have the right to reshuffle it as they see fit.

That is why the number of supplicants has decreased: There is nothing to beg for here. Automobiles, equipment, capital construction funds... We tell them: We have the cars; the equipment is coming; but the money is yours. This has made everything simpler. The elements of confrontation between the center and the periphery are gone.

[Tarasov] But how is it being managed without oversight? Are you not concerned deep in your heart: What if they pull in disparate directions; what are they spending the money on? On medicines or carpets? Are they treating people or practicing shamanism? In the final analysis you are responsible. It is your responsibility to manage!

[Vorobyev] I can tell you with full responsibility that health care is the only branch of the national economy that has not shown any decline in basic indicators, has not lost any of its past achievements. This is not my

subjective opinion; a week ago it was also voiced at the conference of regional medical managers. You may retort: There is nowhere further to slide. And I will agree that the situation in medicine is often on the verge of catastrophe. Here are the objective indicators, however: The incidence of infectious diseases has gone down; the number of new AIDS cases has gone down; the number of accident-related traumas has gone up...

[Tarasov] This, of course, is not a purely medical indicator...

[Vorobyev] As well as the fact that the birth rate is falling. Infant mortality has stabilized, however, although the general mortality rate is increasing—in line with the aging of the population. Temporary disability is decreasing—I would not take too much credit for that, though; more likely, people value their jobs more these days... The supply of medicines by July was at the level of 1991, which was the best year. Although there are many disruptions—we have not received a single dollar for purchases of medicines in four months.

Let us also keep in mind that the medical profession had been under severe pressure because of criticism bordering on a witch-hunt. Often the criticism was fair, but frequently it was hasty, frivolous, and occasionally malicious. Panicky media articles damaged the situation more than helping it. Attacks on inoculations immediately brought about a wave of diphtheria. I am not defending those who had been infecting people through syringes. But these are truly isolated cases, since we only have 85 AIDS patients. At the same time, in the United States and Japan 80 percent of hemophiliacs have been infected through syringes and plasma. In Germany the victims also are counted in tens of percentage points. What we have spent on prevention of AIDS, however, is sometimes considered outlandish even in the West. After all, thousands of very expensive tests produce only one suspicious case. And we completely vouch for the accuracy of the tests. Unfortunately, there is no way to stop an epidemic other than by spending enormous amounts of money...

[Tarasov] The critics' fire—do you not agree, Andrey Ivanovich—is in most cases aimed at the bureaucrats clinging on to any kind of power rather than rank-and-file martyrs or talented scientists.

[Vorobyev] I completely agree with you on this. Power is not surrendered without a battle, this much is clear. I am now watching such a battle in the form of attempts by the Russian Federation Supreme Soviet Health Care Committee to create another organ of power. That is, the committee wants to get the health care funds in its own hands. This attempt has been unequivocally condemned by our regional managers. If the people who write the laws also take charge of the appropriations, this in essence changes the constitutional system of the country. This will be another version of central administration through finances. In order to distribute the gigantic amounts that exceed the current health care budget the

Supreme Soviet will need its own administrative apparatus, and it will create it. This will be a parallel Ministry of Health Care, except that it will not be subordinate to the government, which represents the executive power, but to the deputy who chairs this committee.

[Tarasov] Could it be that you are trying to retain these functions for your own ministry?

[Vorobyev] No; first, because we want to defend the principle of financial independence of the regions, meaning the *de facto* independence of health care. Second, medical insurance will establish completely different legal principles for its functioning. For damage inflicted on a patient the physician or the hospital will be liable in a direct monetary sense. Health is literally becoming a commodity and cannot be valued one way in Yakutsk and 10 times higher in Moscow. There is room, of course, for a coefficient, related to the cost of transporting medicines over long distances or the cost of energy sources in cold Yakutsk as compared with warm Sochi. But whether a person contracts tuberculosis in Yakutsk or in Sochi, whether he suffers a heart attack somewhere in Yalutorovskoye or in Kuntsevo, next door to the cardiology center—the treatment he receives for this heart attack should follow a single standard and ensure that he falls within the guaranteed 85-86 percent recovery rate.

This is where the administrative role of the Ministry of Health Care comes in. Our duty is to be a guarantor of this standard. We are being told that this is unrealistic, and keep pointing to the problems of medical care in the provinces. "You cannot, Andrey Ivanovich, 'extend' Chazov's institute over the entire country." The point is, we do not need to. The diagnostic methods will indeed be on a different level, and there is nothing surprising about that. In an oblast center it will be higher than in a rayon, and higher in Moscow than in an oblast. But this applies to exceptional cases that may warrant a trip from the rayon to the oblast. A person is suspected of having a lung tumor. He needs a bronchoscopy and a biopsy. In the Klintsey rayon center in Bryansk Oblast it will be done the same way as in an oncological center. In neighboring Novozybkovskiy Rayon this will not be available. This means the patients will come to Klintsey. But perhaps the rayon will not have the right diagnostic equipment either. Then a person who is increasingly coughing up blood will go to an oblast center. This is a possibility. And it is a possibility that the tumor will be removed at the oblast center. But take a heart attack. What do you need to treat one? An electrocardiograph and a very simple array of blood tests. Yes, Chazov can pinpoint even a microscopic heart attack, while in the rayon they will not be able to. But a microscopic heart attack does not kill people anyway... A person is suspected of having leukemia. He is sent to the oblast. They verify the diagnosis. Start a treatment program. Then transfer the treatment program to the rayon, where it will be done from then on. In Tyumen Oblast this can be done (and is being done!) in a rayon situated 2,000 km from the oblast center. So when we talk about standards,

we mean very strictly and competently selected treatment that falls within world standards.

[Tarasov] Will those who pay be able to bear it?

[Vorobyev] Competent and timely treatment of a tumor, for example, of a milk gland, costs much less and yields a very high recovery rate. Incompetent and belated treatment costs much more, and its effectiveness is zero... Thus, the introduction of medical insurance will require that the entire structure of health care sharply increase discipline and stop useless battles around science versus practice. There is nothing like that in the world. There is no gap between science and practice—if it is real science and real practice.

[Vorobyev] Just like, rumor has it, the gap between the center and the provinces...

Shortcomings of Resolution on Media Viewed

924C2445A Moscow IZVESTIYA in Russian 25 Sep 92
Morning Edition p 3

[Article by Vyacheslav Bragin, chairman of the Committee of the Supreme Soviet of the Russian Federation for the Mass Media: "How the Parliament Prepared To Punish the Press"]

[Text] On that impassioned Friday, 17 July 1992, only a month before the first anniversary of the August coup attempt, the prolonged, nerve-racking period of tense public apprehensiveness over the instruction of the Sixth Congress of People's Deputies to consider the question of the mass media at a session of the Supreme Soviet of the Russian Federation came to an end. The discussion took place. A decree was adopted. Fortunately, it does not contain the points that alarmed more than just the press and more than just the people in our country.

The decree contained no mention of the so-called supervisory council, to which they already intended to grant the "right" to "give mandatory recommendations" both to the Ministry of the Press and the Mass Media and to the mass media. The decree does not contain a point concerning the creation in the Ostankino television company of a special association "for fuller and more comprehensive coverage of the activity of the higher organs of power." There are no illegal "recommendations" to the Ministry of the Press and Mass Media not to function as founders of mass media.

But the final text of the document also lacks the concrete proposals concerning material support for the press, which were put forth jointly by our committee and the Ministry of the Press and Mass Media and were submitted to the leadership of the Supreme Soviet. We discussed the exemption of newspapers and magazines and also of television from the value-added tax and profit tax and the introduction of preferred or interest-free credit for the press, which could have largely freed the press from state subsidies, which compromised its freedom and aroused so much suspicion.

As a result, the decree of the Supreme Soviet of the Russian Federation "On Economic Support and Legal Aid for the Activity of the Mass Media" ended up in tatters, almost without substance. And, naturally, there arises the question of whether we should have allowed ourselves to be distracted from Russia's truly large and crucial problems to make such a big mess for the sake of a half-baked decree. For the hubbub over the mass media was initially destructive; it catered to the moods of the dispossessed masses, and soothed the revisionist nostalgia of the "has-beens."

It brought so much disenchantment to the souls of the supporters of democracy and economic transformations (and was this perhaps deliberate?) and engendered so much mistrust of parliament, the deputy corps, and common sense, that it is simply impossible to speak dispassionately about the initiators of this campaign.

But perhaps the most depressing thing is that even today nothing has been done about the factors that caused the conflict over the mass media. The unhealthy atmosphere in which people are held in contempt and frequently the press is also degraded has been preserved and is being nourished as before. How much worse can it get when, refusing to accept the newspaper's political course, they literally tried to crush IZVESTIYA, and the speaker of parliament took the liberty of comparing the press to a small mammal to which the elephant parliament need not pay any attention.

There is a certain ineluctable logic in the fact that the mass media have attracted the attention of the deputies. The newspapers, television, and radio have always been in on fierce political battles and have always been the strongest weapon for gaining and retaining power.

The Democratic Press in the Parliament's Sights

The state of shock in which the right-wing forces found themselves after the August putsch did not last long. Having barely recovered from their defeat and having restored their organizations, they immediately began an onslaught on the newspapers and television, which supported the president and the reforms he had initiated. They used the parliamentary forum especially actively.

Typically, newspapers with the opposite orientation, speaking out against the president and the government policy, against "grab-ization," the "crap-ocrats," etc., such as SOVETSKAYA ROSSIYA, DEN, GLASNOST, and MOLNIYA, elicit no reproaches from the parliament.

Even by the end of winter, almost every meeting of the Supreme Soviet began and ended with a bitter polemic about one or another television program or presentation. The parliamentary committee on the mass media—in the spirit of the unforgettable agitprop [agitation and propaganda]—began more and more frequently to demand that they "straighten out the press." Certain members of parliament publicly complained about the fact that with the adoption in December 1991 of the law

"On the Mass Media," they had "gone too far." The newspapers and television had completely "cast aside all restraint," they had become uncontrollable, and therefore, they said, it was necessary to return to the law and revise a number of its articles. This position was voiced by the chairman of the Supreme Soviet as well.

The First Shot at Ostankino

The peak of the defamation of the press came this spring. The object of the attack was Ostankino, in front of whose building a continuous rally went on and a "tent city" was set up. This was an essentially provocative act that was carefully orchestrated and well timed by those who had taken heart and wished to restore the pre-August past along with national patriots of various stripes and all out-and-out opponents of reforms who had merged with them. This was a test of the stability of the authorities and an attempt to disturb the civic harmony that was developing.

These forces repeatedly held intensive rehearsals of the Ostankino demarche on Manezh Square and in sit-ins in front of the Vladimir Lenin Museum. The pressure increased with each passing day and with each passing hour. The threats became more and more brazen:

"We will bring thousands of people, and the glass box of the television center will come crashing down!"—one of the resurrected leaders said.

The threat was carried out. But what about parliament? What actions did it take when Ostankino was stormed? We heard no official statements apropos of the situation. No inquiries to the procurator general ensued. Moreover, there were many people's deputies of Russia who "glorified" themselves by actively supporting the pickets and delivering literally inflammatory speeches in front of the television tower and from a trolley in front of the Riga railway station.

If there is anyone who still believes that those participating in the rallies were striving for justice or were sincerely fighting against the so-called monopoly on television, they are deceiving themselves. The participants in the actions and those who backed them needed resistance, and the more the better. They would have been very happy if they had been categorically refused air time. This would have made it possible for the opposition to shout from all the street corners about the antipopular authorities who refused to speak with the workers, about the president's occupation regime, about the junta of the pseudodemocrats, and so forth.

Yet practically all figures of any significance at all from the camp of the opponents of the current regime had and still have access to the air waves. Everything negative that could have been said about the president, the structure of his administration, the government, and democrats was said. Everything that could have been criticized was criticized. The Ostankino picketers were

breaking down an open door. Their aggressiveness died out because they did not have the support of the Muscovites.

A 'Good Word' With Bad Intentions

If everyone knew about the events in front of the television center, the story of the special association Good Word, which was to have been created within the Ostankino television company "for more complete and comprehensive coverage of the activity of higher organs of power," remained in the shadows. Yet it deserves no less attention than the storming of the television center.

The proposal to create the association was submitted to the committee not long before the Sixth Congress by a certain V. Fomin, a retired lieutenant colonel and the leader of the system bureau—an organization which nobody had heard of up to this point but which was extremely well informed about the situation in the Ostankino television company. The essence of the "idea" of V. Fomin and his wife, T. Ivanova, a journalist from the radio station Yunost, was this: The mass media, especially television and radio, are not objective in their coverage of the activity of the Supreme Soviet and its leadership. In order to rectify this situation, all one need do is create the Good Word association, headed by V. Fomin and T. Ivanova—and everything would be "okay!"

Our committee, in conjunction with the television and radio company, carefully analyzed V. Fomin's proposal. We saw that this was the sheerest adventurism from both the economic and organizational standpoints, which would actually lead to the destruction of the television company. From the political standpoint it was an attempt to achieve through other means what they could not achieve during the siege of the television center: to create within Ostankino a propaganda organ for the most reactionary right-wing nationalist and revisionist forces.

The committee's rejection, however, did not stop these people. Members of the parliamentary group Smena were lobbyists for Good Word—A. Golovin, O. Plotnikov, and the deputies V. Aksyuchits, V. Polosin, and S. Sheboldayev. They also formed a deputation which was sent to the chairman of the Supreme Soviet with a petition in support of V. Fomin and his "Good Word."

After looking the petition over, R. Khasbulatov assigned Deputy Chairman of the Supreme Soviet of the Russian Federation Yu. Voronin to oversee the progress of the document. He wrote on V. Fomin's documents: "I request that you prepare a draft of the document. And do not 'drag it out' as they do in the committee for communications with the press and the public, which is becoming common practice. 28 May 92."

Here is an excerpt from the draft letter from the chairman of the Supreme Soviet of the Russian Federation to the president:

"The positive activity of the president, the Supreme Soviet, and the government of the Russian Federation is not always understood by the population of Russia. There is no doubt that the reason for this is that the work of the mass media is not effective enough. It cannot be anything else: The potential of the Ministry of the Press and Mass Media is clearly not sufficient to solve all the problems facing us...the organization of the radio and television broadcasting of both the VGTRK [All-Union State Television and Radio Broadcasting Company] and the VGTRK Ostankino is based on general principles which have outlived their day and cannot be regarded as satisfactory."

And here is an excerpt from the draft of the letter of R. Khasbulatov to the leader of the Ostankino radio and television company, Ye. Yakovlev:

"...I consider it expedient to conduct a reform of the VGTRK Ostankino so that from four to eight hours of the radio and television time will be granted to an association that is independent of the VGTRK Ostankino organizationally, financially, technically, and creatively."

In the same package of documents which the leader of the Russian parliament used to validate his directive, there was also the "Statute on the 'Good Word' Television and Radio Broadcasting Bureau."

I shall quote a couple of its articles:

"The Good Word television and radio broadcasting bureau is an association which is organizationally, technically, and financially independent of the Ostankino television and radio company, which operates in close contact with the Supreme Soviet of the Russian Federation."

"The basic subject matter of the bureau's television and radio programming is determined in coordination with the representative of the Supreme Soviet of the Russian Federation."

"The radio and television air time necessary for the bureau's activity is taken from the air time budget of the Ostankino radio and television company."

And, finally, the most important thing:

"The general leadership of the bureau's activity is headed by the director of the Good Word system bureau, who is personally answerable to the presidium of the Supreme Soviet of the Russian Federation for the effectiveness of its operation."

It seems that Yu. Voronin turned out to be much more far-sighted than his colleagues who received instructions from the chairman of the Supreme Soviet to work on the "News" and essentially did not get involved in this saga.

Yet, feeling that he was in the speaker's good graces, V. Fomin sent R. Khasbulatov a confidential letter.

"Esteemed Ruslan Imranovich!"

"The desire of the leaders and a large share of the members of the mass media to postpone the consideration of the question of the state policy in the mass media until the fall session of the Supreme Soviet of the Russian Federation could lead to a situation where the extremely crucial process of reforming the Ostankino television and radio company will be put off for at least four months. In this case the stabilization of the socio-political situation in Russia does not seem likely. At least, in the near future."

And further:

"I request of you, esteemed Ruslan Imranovich, the following:

"1. To begin a consideration of the question of state policy in the mass media at the current session of the Supreme Soviet of the Russian Federation, the more so since the draft decree has already been drawn up. (Note how informed nondeputy V. Fomin is about what is going on in the Supreme Soviet!)

"2. To raise and resolve the issue of the rotation of the majority of members of the Committee of the Supreme Soviet of the Russian Federation for the Mass Media: A considerable share of the preparatory work for resolving this issue has already been done. (Here he is—the enthusiastic exemplar of the self-disclosure of intriguers and enthusiasts of back-room provocations. It would be interesting to know how nondeputy V. Fomin managed to do this "work" in parliament.)

"3. To eliminate as much as possible the familiarization of members of the Committee of the Supreme Soviet of the Russian Federation for the Mass Media or their like-thinkers with the text of this letter, since I am well aware that the methods used in relations between the committee's leaders and the members of the council of directors of the Ostankino television and radio company and their opponents cannot be called gentlemanly."

After V. Fomin officially announced in the editorial offices of the radio station Yunost that the chairman of the Supreme Soviet of Russia had given him "authority to conduct a reorganization of the Ostankino company," the Yunost collective had sent the speaker a letter, but an open one, in which they wrote with agitation about the "married couple who had taken on the role of 'Supreme Objectivist'" and stated that the nature of V. Fomin's actions "...gives us cause to think that he is the type of person who has no doubt that the end directly justifies the means."

Such "gentlemen," relying on "their people" in congress, had organized the hearing on the question of the mass media and taken on the project of reforming the press and television and radio broadcasting. One can imagine what would have happened in our information space if, say, if Anpilov, Fomin, and their ilk had succeeded in carrying out their intentions.

The Secrets of the Speaker's Court

The entire course of the preparation for the hearings on the press basically reminded one of a medieval intrigue at some royal court. Unpredictability, secrecy, back-room maneuvers, the changing of favorites.

Just take the story of the approval of the commission that was to prepare the question of the mass media. It is not known who selected its members; they did not consult with the profile committee. But I was named chairman of the commission. We met and prepared our proposals. Although certain members of the commission, say, V. Beketov, thought it was "necessary to decisively change the role of the press," "it is unconstructive," "it is stirring up the situation," and it "juggles the facts," we rejected that approach.

The reaction was not slow in coming. At the next session of the Supreme Soviet, out of those same political maelstroms which engendered the very idea of arranging a "sorting out" of the mass media, the IZVESTIYA question "rose to the surface" again. Chairman of the Soviet of the Republic N. Ryabov was put in charge of preparing for the hearing.

He immediately telephoned the committee:

"You and the commission will report to me. Come and tell me what you have done there."

But to change the chairman of the commission is not the same thing as to solve the problem. It is necessary to try, if not to break, at least to change the alignment of forces in the commission. In order to do this without the consent, and in certain cases in spite of the opinion of the committee, without the consideration of the candidacies in the presidium of the Supreme Soviet, on personal instructions from R. Khasbulatov, several people's deputies of Russia were added to the commission, and they immediately changed the entire work atmosphere. They were the ones who added to the draft resolution the very changes that subsequently exploded public opinion and which were so difficult to remove.

As you can see, the combination play involved planning many moves in advance. It had its main and auxiliary figures. It had its basic line and its lateral moves. And, quite undeservedly I think, the credit for initiating the hearings goes to deputies M. Astafyev, V. Aksyuchits, G. Sayenko, or such figures as V. Antipov and G. Zyuganov, although they did work zealously in this area. They, to use the language of the speaker, are "boys," and that is all. And first prize here goes to the chairman of the Supreme Soviet of Russia himself.

Remember 10 April 1992. The Sixth Congress of People's Deputies of the Russian Federation. Khasbulatov says:

"—...At the beginning of the Congress, very many deputies addressed us, the Presidium of the Supreme Soviet and the Presidium of the Congress. They submitted suggestions concerning the newspaper IZVESTIYA. It

seems that it was already more than 1 billion rubles [R] in debt, and not because it had financial complications, but rather because the readers had stopped reading it.... But at the same time, the people value this newspaper. This newspaper has been liberal for several decades. Therefore, they suggested giving it back the status of the newspaper of soviets of all levels and asked that the Supreme Soviet render assistance on this plane as the newspaper of the representative organs of power. Of course, in this case we could render a great deal of assistance—we could open and finance all the representative offices... in the countries of the Commonwealth and in other countries. And we could support these collectives, which suffer from, frankly, not especially skilled leadership. In general, we have basically already considered this proposal, and Vyacheslav Ivanovich Bragin is studying this proposal along with the IZVESTIYA collective. I think it is a reasonable proposal. Perhaps a decision should be made on this before the end of the congress. Then the soviets of all levels will receive their central newspaper, IZVESTIYA....

"It will be a good decision. Let us instruct the Committee on the Mass Media to look into this thoroughly...."

And this was the beginning, the source of all subsequent events.

Apparently, many of the congress deputies sensed what was up. People's Deputy of Russia from Belgorod Oblast A. Ugarov managed to say only a couple of words:

"—Ruslan Imranovich, why say such things? You do not read IZVESTIYA very much. This action is clearly directed at the newspaper...."

But the chairman, who, as we see, by that time already had in mind a complete scenario for "sorting out" IZVESTIYA, which actually went without any changes all the way to the point of the adoption of a decree, decisively cut short this deputy who had "appeared" so inopportunely: "That is all! Enough!"...

The first feeling I experienced when I heard the speaker's words was embarrassment and a sense of betrayal. How could Khasbulatov, I thought, without having spoken with me, without having learned my opinion, drag me into this intrigue, how could he say that I was studying the proposal along with the IZVESTIYA collective. Nothing of the kind had happened!

That evening was the first time I had ever seen Khasbulatov so enraged, and it was the first time I had felt so clearly his intolerance for those who did not agree with him and raised objections.

At that memorable presidium meeting, conducted in the worst apparatus traditions, naturally, we were disturbed: Why was such an exceptionally important question put to the presidium without preliminary discussion at a meeting of the Commission on the Mass Media? Why was there not a meeting of the collective of journalists of the newspaper whose destiny we were trying to change so

abruptly? Why was no hearing conducted in the Supreme Soviet? Albeit unwillingly, the okay was given to turn the "IZVESTIYA case" over to the parliamentary committees and commissions and to conduct a meeting among the newspaper's collective.

The results of these discussions were ominous. Of all the committees and commissions of the Supreme Soviet, only one—on the mass media—considered the situation and sent the presidium a proposal to withdraw the IZVESTIYA question from the session's discussion because it had not been prepared. The other committees remained silent, I assume, thus demonstrating their negative attitude toward the trouble surrounding the newspaper that had been started by the leadership.

The meeting of the collective of IZVESTIYA journalists rejected any attempts to change the status of the publication.

Also attending the meeting and acting on instructions from R. Khasbulatov was Chamber of the Republic Chairman N. Ryabov. I recall what he said in his speech to IZVESTIYA workers on 15 July 1992.

"...There is no fatal inevitability to the idea that if this project is launched and the leaders want it, that it will definitely be carried out in the form and at the time that was planned.... There is no need to hurry, let us think it over some more.... I do not understand how the Supreme Soviet can have another IZVESTIYA newspaper, or will there be two publications...."

"I will not allow events to develop in such a way that there is a vote without discussion...."

"This is just a preliminary decision, and it is only mine personally... perhaps nothing will come of it.... I personally, and the majority of the deputies, and I speak with confidence, we did not think and do not think that IZVESTIYA will be the organ of the presidium as you have asserted here. We had no such idea."

Nikolay Timofeyevich looked extremely timid as he faced the IZVESTIYA workers, and unconfident, even wary, and he concluded his statement to them with these words:

"I wish to say thank you. I think there was a reason for my being here. I will submit to the Supreme Soviet and the commissions the clear opinion of IZVESTIYA."

Only one day passed.... On 17 July at the session of the Supreme Soviet, when discussing the IZVESTIYA question, N. Ryabov was bolder when on his own turf, and in response to the question from People's Deputy of Russia G. Sayenko, he uttered only one phrase:

"To be extremely brief, I will say this: If we do not resolve the problem of our legal succession before 23 August, we will lose the right to it (that is to IZVESTIYA—V.B.)."

G.V. Sayenko answered with satisfaction:

"This is all clear, I think, to the majority of our deputies...."

The Khasbulatov Phenomenon

One cannot but recall that by that time, the reaction of the Russian public, the majority of whom were on the side of IZVESTIYA, was already clear.

An appeal signed by 16 mass media leaders was sent to President of Russia Boris Yeltsin. As a symbol of alarm over the weak, barely formed democracy, as a protest against the attack on the freedom of the press, as call for vigilance in the face of the threat of revenge from right-wingers who again, as a year ago during the August putsch when there were barricades around the White House, the second edition of OBSHCAYA GAZETA was published, solidly uniting 14 other newspapers.

The president of Russia spoke out openly in support of IZVESTIYA and the mass media as a whole. The head of state had a special meeting with the editors of the newspapers and held a discussion on the protection of the democratic press at a meeting with other high leaders of the country, including the chairman of the Supreme Soviet (there are still rumors going around to the effect that the leader of the Russian parliament supposedly assured the president that he would not bring up the IZVESTIYA question for discussion at the session). But with persistence worthy of a better cause, the IZVESTIYA question still made its way onto the agenda of the last day of the session.

Throughout all the preceding months I had persistently appealed to Ruslan Imranovich to discuss the question of the mass media thoroughly, with the participation of other leaders of the Supreme Soviet.

I would say that it was impossible not to feel the openly negative attitude toward the mass media, which was forming more and more distinctly, with certain exceptions, among the leaders of the Supreme Soviet. The news conferences of its representatives, particularly N. Ryabov and R. Abdulatipov, in my view, were a convincing corroboration of this.

And so the session of the Supreme Soviet, having considered the question of the mass media, satisfied the desire of certain politicians to speak with the press from a position of power. But did the politicians themselves become stronger because of this, and did this strengthen the democratic institutions of a country which intends to enter the civilized community? Was this the end of the "experiments" in influencing public opinion through periodically throwing bare wires with high political voltage at the press? I do not think so.

The fact that odious wordings were excluded from the decree on the mass media is by no means the result of the insight of the initiators of the squabbles organized around the mass media. The directors of the political struggles were simply frightened at the last moment by the angry public opinion war they had started. They

apparently did not count on the president's position being so firm. Therefore, they decided to retreat along the front in the question of the mass media, but they gave battle in a narrow but fundamentally important section by trying to rout one of the main buttresses of the democratic press and the reform as a whole—the newspaper IZVESTIYA.

Analyze carefully the stenographic report from the last day of the session, study the text of the discussion of the question of the mass media—and you will see that the battles over the press were already planned for the next session; they were essentially already scheduled. For example, the problem of the supervisory council in the fabric of the law "On Activity in the Area of Television and Radio Broadcasting" has certainly not been solved. There is no doubt that there will be other snags as well. The members of parliament who have an allergic reaction to the law "On the Mass Media" have drawn the appropriate conclusions from the "mistakes" made during its adoption. And when it comes to the draft law on television and radio broadcasting, I think they will try not to allow anything to keep them from "controlling" the press now.

There is also another aspect which cannot be avoided.

Apparently in the future as well, and perhaps with even greater force, the moral climate in the information sphere will be influenced by the "Khasbulatov phenomenon," which is already developed and has no analogues in politics, which is expressed in the overt disrespect and inadmissible impertinence in relations with the press.

A special poignance is added to this story by the circumstance that in terms of duties distributed among the leaders of the Supreme Soviet of Russia, Ruslan Imranovich is also in charge of the mass media.

R. Khasbulatov himself, in spite of all this, is growing, from my viewpoint, into an extremely important political figure and, as we can see, he does not intend to be "written off" upon the expiration of his term in office. He is now looking for allies and reserving a political niche for himself for the future and "just in case," and he is also creating his own kind of stockpiles.

So the speaker's position with respect to the mass media is explained not by the strangeness of his character, not by ambition, and not by self-importance. I dare say that this is a strictly calculated policy of political behavior, an unambiguous signal, a hand extended toward the newly forming coalition. And it would seem that this gesture has already been noticed and the mutually advantageous handshake has already been registered.

Decree on Implementing Law on Deliveries of Goods for State Needs

925D0747A Moscow ROSSIYSKAYA GAZETA
in Russian 12 Sep 92 p 5

[Text of Decree of the Government of the Russian Federation of 27 August 1992, No 638, City of Moscow:

"On Organizing Work for Implementing the Law of the Russian Federation 'On Deliveries of Products and Goods for State Needs'"; for text of law, see FBIS Report: Central Eurasia, FBIS-USR-92-098, 5 August 1992, pp 53-55]

[Text] In implementing the Law of the Russian Federation "On Deliveries of Products and Goods for State Needs," and for purposes of establishing conditions for supplying the federal state needs of the Russian Federation, the Government of the Russian Federation **decrees:**

1. Establish that, beginning in 1993, all forms of state supply of material-technical resources and their central distribution shall be abolished. Material-technical supply of the economic activity of enterprises and organizations shall be accomplished by the enterprises and organizations themselves on a contractual basis

The form for satisfying state requirements shall be orders for purchase and delivery of goods (products), or for carrying out work (services) for the needs of the state

Formation of the direction and contents of delivery of goods for state needs shall be accomplished in conformity with the procedure for carrying out the budget process.

2. It is deemed necessary to establish for 1993 the following list of needs of the federal state

—federal special-purpose programs

—inter-state special-purpose programs in which the Russian Federation takes part, including programs for fundamental research, innovational and state scientific-technical programs

—geological exploration work for the replacement of mineral and raw material sources, topographical-geodesic and cartographic work, as well as environmental protection measures within the limits of appropriations from the republic budget of the Russian Federation;

—delivery of export goods for fulfilling the international economic obligations of the Russian Federation, including currency transactions

—supply of products necessary for the creation and support of state reserves and reserves for eliminating the consequences of natural disasters and emergency situations and for carrying out unforeseen work.

—supply of goods for supporting the defensive capability and security of the Russian Federation at the necessary level.

—supplying goods and carrying out work in support of the stable operation of the systems of education, health-care, social security, agro-industrial complex, general-purpose transport, culture, arts, tourism and physical culture, hydro-meteorological service and the

organs of state administration of the Russian Federation (within the bounds of appropriations from the republic budget of the Russian Federation);

—supplying goods in support of programs for the development and operation of the city economy of the capital of the Russian Federation, Moscow; and,

—realization of federal investments and investment programs.

3. Firmly establish a procedure for supplying products and goods for state needs and a procedure for working out and implementing federal special-purpose programs for the development of the Russian Federation and inter-state special-purpose programs in which the Russian Federation participates, in accordance with Appendix No. 1

It is recommended that the organs of executive power of the republics belonging to the Russian Federation, krais, oblasts, autonomous formations, and the cities of Moscow and St. Petersburg, when working up drafts of special-purpose regional programs and their implementation, be guided by the present procedure.

Bestow upon the Ministry of Economics of the Russian Federation the methodological leadership and coordination of work on drafting and implementing the federal special-purpose programs of the Russian Federation, and inter-state special-purpose programs in which the Russian Federation takes part.

4. Firmly establish a Procedure for Purchase and Delivery of Goods (Products), and Carrying out Work (Services) for the Needs of the Federal State in accordance with Appendix No. 2.

Ministries and departments of the Russian Federation, organs of executive power of republics belonging to the Russian Federation, krais, oblasts, autonomous formations, the cities of Moscow and St. Petersburg and other organizations which are claimants of budget appropriations shall

—present to the Ministry of Economics of the Russian Federation and the Ministry of Finance of the Russian Federation, prior to 1 September 1992, [sic] drafts of budget requests for financing the needs of the federal state for 1993;

—prior to 15 September 1992, complete modifications to the federal and inter-state special-purpose programs presented, specifying planned appropriations for purchase and delivery of products for other needs of the federal state, meanwhile ensuring coordination and comprehensive resolution of branch and regional tasks, as well as conducting critical analysis of the placement of orders, before going to contract, for the needs of the federal state for 1993.

For purposes of economic stimulus to suppliers of goods for the needs of the federal state, requestors of budget appropriations shall, when presenting draft budget requests, present proposals on the kinds, amounts and procedure for offering economic and other advantages.

The Ministry of Economics of the Russian Federation, together with the Ministry of Finance of the Russian Federation, proceeding from analysis of the forecast for socio-economic development and the draft budget of the Russian Federation for 1993, shall carry out analysis and balance coordination of the indicated requests with the drafters of budget appropriations on the corresponding directions of the budget, and shall present to the Government of the Russian Federation, before 1 October 1992, a generalized draft of the budget requests for financing the needs of the federal state for 1993

5. In order to implement state contracts, the supplier-enterprises (subcontractors) shall be provided the required financial resources by those placing state orders (by means of budget appropriations or non-budgetary funds)

Raw materials, semi-processed materials, equipment, assembled articles and other material-technical resources required for carrying out state contracts, shall be acquired by supplier-enterprises independently on the basis of direct economic agreements and (or) through interaction of middleman organizations, as well as at commodity exchanges, trade fairs and auctions, at freely-arrived-at prices (except for goods for which the state continues to regulate prices).

6. Firmly establish procedure for preparing and concluding state contracts (agreements) for purchase and delivery of goods for the needs of the federal state in accordance with Appendix No. 3

State clients may transfer their authority to appropriate enterprises and organizations.

Establish that ministries and departments of the Russian Federation to which budget appropriations are allocated for carrying out work connected with providing for the needs of the state shall not place orders for delivery of products for the needs of the state to supplier-enterprises (except in instances stipulated by law)

7. State clients shall ensure competitive organization of placing orders for delivery of goods for the needs of the state by means of holding open and (or) closed auctions, bidding or competitions.

Formation of prices for goods delivered under state contracts shall be implemented on a contractual basis, except for goods on which the state continues to regulate prices

8. The Ministry of Finance of the Russian Federation shall earmark funds in the republic budget of the Russian Federation for 1993 for the delivery of goods for the needs of the federal state, for preliminary, complete or partial payment to the suppliers (subcontractors) of these products.

9. Ministries and departments of the Russian Federation and organs of executive power of the republics belonging to the Russian Federation, krais, oblasts, autonomous formations, and the cities of Moscow and St. Petersburg shall render assistance

- to state clients in placing, on a competitive basis, orders for delivery of goods for the needs of the state;
- to enterprises and organizations in establishing and maintaining economic ties for ensuring the production and delivery of goods for the needs of the state, in the sector of activity enjoying state support.

10. The Ministry of Economics of the Russian Federation shall, upon representation of state clients, examine and submit to the Government of the Russian Federation proposals on introducing, in exceptional cases, for independent manufacturing enterprises, a procedure which requires mandatory contracts for supply of goods for the needs of the state.

11. Delivery of goods necessary for the operation of agricultural enterprises and organizations shall be carried out in accordance with existing legislation on priority supply of material-technical resources to the agro-industrial complex.

12. Orders for carrying out geological exploration for the needs of the federal state must be formulated within the limits of the state non-budgetary fund for restoration of mineral and raw material resources.

Draft budgetary requests for carrying out geological exploration work for the aforementioned purposes shall be presented to the Ministry of Economics of the Russian Federation and to the Ministry of Finance of the Russian Federation by the Committee on Geology and the Use of Mineral Resources at the Government of the Russian Federation.

13. Orders for delivery of goods for the needs of the federal state, connected with fulfilling the international economic obligations of the Russian Federation, including currency transactions, shall be financed by means of funds from the republic budget of the Russian Federation and shall be formulated:

- for implementing inter-governmental trade and economic agreements according to commodity lists coordinated with the Parties;
- for assuring deliveries of modular equipment and rendering service in erection and reconstruction of projects coordinated by the Parties within the framework of rendering engineering support in accordance with inter-governmental agreements on economic-trade and scientific-technical cooperation, as well as goods, for liquidating the foreign debt of the Russian Federation.

Instruct the Ministry of Economics of Russian Federation together with the Ministry of Foreign Economic Ties of the Russian Federation to submit suggestions to the Government of the Russian Federation for determining the state clients responsible for fulfilling international economic obligations.

Currency assets earned from sales of goods on the foreign market, placed on the account of orders for delivery of goods for the needs of the federal state, shall be fully

utilized for satisfying the needs of the federal state (counter-procurement of goods, liquidation of debt obligations, and so on).

Earnings from sales on the domestic market of goods procured by means of the aforementioned hard currency assets, shall be counted as income for the republic budget of the Russian Federation (with the exception of losses connected with the sale of these goods).

The Ministry of Economics of the Russian Federation together with the Ministry of Foreign Economic Ties of the Russian Federation and the Ministry of Trade and Material Resources of the Russian Federation shall formulate a budget request for allocating in 1993 the appropriations necessary for fulfilling the international economic obligations of the Russian Federation.

14. The State Committee of the Russian Federation for Economic Cooperation with Commonwealth Member States, together with the Ministry of Economics of the Russian Federation, the Ministry of Trade and Material Resources of the Russian Federation, and the Ministry of Foreign Economic Ties of the Russian Federation shall, within a one-month period, present a draft resolution of the Government of the Russian Federation on the rules for carrying out trade operations with the CIS member nations and Azerbaijan, Georgia, Latvia, Lithuania and Estonia.

15. It is recommended that the State Committee on Statistics of the Russian Federation organize work on considering the use by state clients of allocated appropriations, carrying out special-purpose programs, and other orders for the needs of the state, and submit the appropriate forms of statistical accounting.

The Ministry of Economics of the Russian Federation and the Ministry of Finance of the Russian Federation shall, with the participation of the State Committee on Statistics of the Russian Federation, ensure control over the use by state clients of special-purpose budgetary appropriations, allocated for the procurement and delivery of goods for the needs of the federal state.

16. It is recommended that organs of executive power of the republics belonging to the Russian Federation, krais, oblasts, autonomous formations, and the cities of Moscow and St. Petersburg be guided by the present decree for ensuring procurement and delivery of goods for regional needs of the state.

17. The Ministry of Economics of the Russian Federation, Ministry of Justice of the Russian Federation, Ministry of Trade and Material Resources of the Russian Federation shall, together with interested ministries and departments, present to the Government of the Russian Federation in the shortest possible time proposals:

- on bringing legislative acts into accord with the Law of the Russian Federation, "On Deliveries of Products and Goods for State Needs..." and,

—on acknowledging as defunct the decisions of the Government of the Russian Federation in connection with the adoption of the present decree.

18. Ministries and departments of the Russian Federation, and organs of executive authority of the republics belonging to the Russian Federation, krais, oblasts, autonomous formations, and the cities of Moscow and St. Petersburg shall, within a one-month period, abolish the normative acts and instructions which are in conflict with the Law of the Russian Federation, "On Deliveries of Products and Goods for State Needs" and the present decree.

[Signed] Ye Gaydar

Footnote:

*Henceforth—delivery of goods.

REGIONAL AFFAIRS

Chita Oblast Soviet Discusses 'Crisis Situation'

924C2439A Chita-tsentr ZABAYKALSKIY RABOCHIIY in Russian 19 Aug 92 pp 1,2

[Article by Vladimir Kibirev, manager of the oblast soviet press center: "Will We Force Ourselves To Respect Ourselves?"]

[Text] As we know from the mass media, on August 6th was the first meeting of the Malyy Soviet, elected at the tenth session of the oblast Soviet of People's Deputies.

The polemical remarks by Vladimir Kibirev, manager of the oblast soviet press center, published today, may not reflect the entire spectrum of problems discussed at this meeting. Nevertheless, they give an idea about the crisis situation that has developed not only in many branches of the national economy, but in general throughout our society. This is occurring in a relatively peaceful region to which Zabaykalye had belonged for a long time.

1. WHEN DESPAIR OCCURS

At the discussion itself, and afterwards, whether listening to the wordy discourses of managers of all levels or reading the documents that had been prepared for this meeting, one thought did not give me peace of mind: "God, when—finally—will all these dubious experiments in the village come to an end? When will our Russian peasant begin feeding the country?"

Alas! No one will risk answering these questions, not even the highest placed official in the Russian government who can simply command—say—either an air army or manage a complex branch of our economy, such as the agro-industrial. The only point is, data on a recurrent boom in the countryside are becoming more and more doubtful, which is to say that things cannot be worse. We shall not compare our greatly suffering oblast with more developed regions where, despite all the external shake-ups, everything comes to a conclusion,

even including imports of African delicacies. As they say, however, we do not want luxury foods, just something to keep us alive. But someone in our government very much wants to place our zone of risk farming on the same footing as Krasnodarskiy Kray. In any case, it was from Moscow that an order arrived to exclude several districts of our oblast and count them as part of the high mountain area, while the rest of the districts—at purchase prices—will have the same status as the southern districts of the republic.

There is one more paradox which could complicate an already complicated situation in the agricultural sector of the oblast. But why should we hide anything: one more or less bit of nonsense does not matter; the balance is negative anyway. We can only wonder at the long patience of our villagers for whom, by all indications, the limit is being reached. Now, in all truth one remembers the popular wisdom about how the road to hell is paved with good intentions. This applies first and foremost to our peasants. The boisterous campaign begun by the Russian President's decree "On Certain Measures for Implementing Land Reform in the RSFSR" resulted in a government resolution making it mandatory for kolkhozes and sovkhozes to carry out a reorganization during this year in order to comply with the new legislation. In other words, the peasant was given a choice to make in the shortest possible time: He will either remain in the kolkhoz or sovkhoz or will take his land-property share for a private, individual farm or a collective ownership based on shares. According to the addendum for our oblast, it should look like this: Out of 284 kolkhozes and sovkhozes, 261 units were subject to reorganization. The rest, with the approval of the center: Two experimental-demonstration collectives and two state stock-breeding plants will retain their status by government permission, and the other 19 will remain the same by permission of the ministry.

Today it is already possible to summarize certain activities, as the officials from the department of agriculture love to say. Twenty-two sovkhozes and 19 kolkhozes retained their status, while the rest were changed over into 42 associations of peasant farms, 25 associations with limited liability, and 28 joint stock companies of the closed type and other organizations. A significant growth of private farms should be noted. While at the beginning of the year there were only 288, six months later there were 1,085.

Is this good or not so good? The consciousness of the ordinary Zabaykal person, due to the efforts of the mass media, carries the conviction that only private farmers can feed him. The Russian government is of the same opinion. For this they have preferential loans and access to machinery, and much more that is helping to establish individual farms. As a comparison: Banks give loans to sovkhozes and kolkhozes at 28 percent, but to private farmers under 8 percent.

It would appear that there is reason to be happy that the peasants are being drawn to the land. But there is no

happiness because not only private farmers, but large farm units are choking from the pressure of large and small problems. Furthermore, the reasons for this have nothing to do with the local authorities.

We are not going to delve into questions that can be categorized as global. I have in mind the lack of small machinery that small farms need so badly, service organizations, supply networks which would treat farmers like their own children, and many other things. None of these problems can be resolved at the oblast or even regional level. A clearcut government program is needed which, unfortunately, does not exist, nor does anyone know when it will come about.

Not only that, no matter who says what about private farming in superlative terms, a balanced view of agrarian specialists holds that private farming is not an ox that is capable of pulling the entire agricultural load out of the mire. We often like to cite the example of Western, especially overseas experience, sometimes without looking into the essence of the matter. Here is what it is like: In America, an abundance of products is grown by large agricultural conglomerates—latifundias—which comprise 95 percent of the agrarian sector. Only 5 percent are small farms. And these are regularly subsidized by the government, otherwise they would have ceased to exist long ago. The very fact that these small farms exist attests to the attachment that Americans have for the olden days, or if you wish, attachment to the exotic. Perhaps overseas government leaders love to repeat that "we are not so poor that we cannot support small farmers," both in a jocular and serious vein.

For us, however, the time has come to pay attention to our daily bread, without which the lives of every family becomes more and more difficult with each passing day (it is understood that in addition to bread, in the direct meaning of the word, we also mean meat, butter, cheese, milk, sour cream, and a number of other foodstuffs produced in our oblast—Author). Many people probably do not even suspect that these products exist in large quantities. Yes, strange as it may seem, but that is a fact. It is real only in the processing plants of the complex. They appear very rarely in stores, and in limited quantities. What is the problem? It has to do with the complete breakdown of communications between the producer and the trader. These problems were resolved in a resolute manner before, but now, when each branch of the economy is independent and determines by itself what is profitable and what is not, it has become risky and expensive to sell products. Suddenly it turned out that not a single store in the oblast center had refrigerators. Consequently, they could not take meat for sale: Within a day it would have to be thrown out on the garbage dump. Therefore, even if sellers take milk, eggs, or butter, it is only in quantities that they can sell in one day. And not a bit more. Furthermore, it has become unprofitable for the peasants to turn in their milk and meat to processing plants. They turn them in at minimum prices, but then, for example, butter is sold for retail at three times that price.

But that is not all yet. Having produced something, that very same plant cannot sell it. If it is at a low price, they lose money. If it is at a high price, the tradesmen will not purchase it. And the tradesmen do not take it because they do not want to take a risk. That's it: the loop is closed.

How can it be broken? Various half-measures have to be concocted. For example, butter from the Priargunsk area is turned in and counted against the oblast budget for long-term storage in a cold storage facility. It is but a drop in the bucket in resolving all the problems. Perhaps because of this, not waiting for directives from above, many kolkhozes, sovkhozes, and other associations began to quickly acquire equipment for processing milk, grain, and other agricultural products. This is a truism: Nothing is done until disaster strikes!

Of course in all this, our industrial enterprises could also contribute more, since their potential clearly ranges beyond manufacturing basic grain hulling machines and separators. But you see, it is unprofitable for them to do these little things. The only thing left is to place our hopes on the conscience of the working class, because no one will help you if there is hunger; if you want bread on the table it means that—in addition to wishing for it—you have to help the village yourself. There are no other courses of action. At a meeting of the Malyy Soviet, B.P. Ivanov, head of administration, admitted frankly that he had no leverage to get action from managers of industrial enterprises, except to try to talk them into doing something.

I think that even this far from complete list of agricultural problems is more than enough for the most pessimistic conclusion that can be made in one classic phrase: Drowning people can only be saved by their own efforts. In other words, urban dwellers have to grow everything possible themselves. But here is where the bad luck comes in: The administration of the oblast center is in no hurry to satisfy the requests of the residents of Chita.

According to V.I. Shkarovskiy, chairman of the committee on land reform, requests for allocation of garden plots made by twelve thousand families have not been satisfied. Why? He had a difficult time in answering that, primarily blaming the sluggishness of the municipal administration. With regard to allocating land, this past spring 890 hectares in the forest zone were allocated for this purpose, 560 hectares around Smolenska, and the issue of allocating another 435 hectares there is being decided. Thus, all urban dwellers' requests could be met.

It is true, however, that both B.P. Ivanov and V.I. Shkarovskiy have complained about the all-powerful military department which is in no hurry to give up surplus land and has tied it up in a lengthy inventory process. But we are speaking about other hectares, scattered throughout the entire oblast. With regard to land around urban areas, it would appear that there are no problems. But it is odd, isn't it, why those who requested

the land have not received it yet? What is it, a malicious intent or ordinary sluggishness?

...The last stroke in this dismal picture was made by the agrarians who established a strike committee and, as a first preliminary step, announced their intention to halt deliveries of agricultural products to cities and workers' settlements from the 20th through the 30th of August.

2. BURN, BURN, MY CANDLE

I apologize for the banality, but here is how I shall begin: Summer, warm, light. Will this paradise last long? Here we have electricity around the clock and hot water on a more-or-less regular basis. Now, if the workers of the agrarian complex cancel their plans for a ten-day protest action against the arbitrariness of the government, then we shall somehow be able to finish out this month. Later it will be more difficult. We do not want to scare ourselves or frighten others, nor heat up people's emotions, but somehow an optimistic picture of autumn is not turning out, much less a good winter.

I am not speaking about food. It may not be as filling as before, but we shall survive. Something else is worrisome: Are we going to freeze? Some sort of incredible luck helped us avoid the extraordinary events of last winter, even though occasionally the situation became supercritical. Intermittent power outages darkened entire districts and consequently enterprises in those areas, without regard as to whether they were on a continuous production cycle or not. The greatly suffering village counted up its losses due to power outages. The sum was a staggering three billion rubles!

Against this background is it worth remembering such "small" things as the limited broadcasting over Chita television or the darkened city blocks of the oblast center that were thrown into darkness every day? On the other hand, we well remember the various meetings, at the conclusion of which someone from the oblast administration would express the mandatory hope to the effect that this kind of situation could not be allowed to happen next year. There was even a plan developed, where substantive points were listed, black on white: "Put into operation," "Complete reconstruction," "Speed up construction."

But now the sunshine has warmed up everything, demand for electric power had decreased, and all the good intentions have melted like wax in a flame. They were simply forgotten. And they remembered them only on the eve of the meeting of the Malyy Soviet when this question would be discussed. When they added up the revenues and expenditures of the kilowatts that are increasing in price and importance, a conclusion was unwillingly formed: Again this winter we shall have to swallow the bitter pill.

They began to discuss who was at fault. It turned out that no one was at fault, strange as it may seem. Circumstances were such that if Chief of Administration B.P. Ivanov were to criticize or punish someone, he would

have had to begin with himself. During the ninth session of the oblast Soviet of People's Deputies, it was he and no one else who was given the responsibility of heading a commission on regulating the work of the fuel and energy complex and this commission was endowed with extraordinary powers.

In essence, the commission's entire work came to one thing: To throw the knife switch on and off. True, the commission fought local "battles" with the all-powerful military department and with the no less powerful state within a state—the railroad. It must be said that as a rule, the latest of these attacks were successfully repulsed. But the most interesting point is that after all these battles of words there was not a single victim, as if we had nothing but peace and quiet and God's grace in this matter.

The fact is, and it is not a probability but a fact, that one circumstance that had a role in this matter at the end of last year and the beginning of this one was that there was an incredible upsurge in activities at the construction site of the Kharanorskiy State Area Power Plant [GRES]. The operation of the long-awaited first energy block, for which the oblast has been waiting nearly two decades, became today's reality. The management of "Bratsk-gesstroy," which has to be given its due, finally decided to complete the long construction that everyone was tired of and gave the "green light" to supply this project with everything they needed. The first thing they did was to gather qualified personnel from across the neighboring border, and these personnel are capable of making even a nuclear power station operational, let alone a GRES.

And it was these specialists who let us down, who turned out to be at fault, even though it was not their fault. There were several reasons for this, but the main one was the lack of necessary interest on the part of B.P. Ivanov, head of administration, towards the needs of the project. Noteworthy, I think, is one of the meetings that took place last spring. R.S. Vikulov, chief of "Bratsk-GESstroy," a supporter of decisive action, arrived with his team and asked B.P. Ivanov to resolve several problems. In any case, the best illustration would be the notes from a notebook:

V. Vikulov: "In order to ensure regular flights for power plant specialists from Kiev, we need an aircraft. Can you make one available?"

B. Ivanov: "No, we cannot do it. We have a great deal of trouble with obtaining POL products."

V. Vikulov: "The power plant specialists are upset that you did not pay them cash for everything they earned. Isn't it possible for you to direct the bank to regularly procure the necessary rubles?"

B. Ivanov: No, I cannot do it because we have very, very great difficulties with cash."

V. Vikulov: At least help us push our railroad cars into China. This, in particular, is also pay for the workers who are building a railroad station in Yasnogorsk."

B. Ivanov: "This is a very complex problem. Over 5,000 railroad cars have been accumulated on the tracks for the Chinese side. This is why I cannot promise anything."

This kind of an attitude towards construction needs did not fail to affect the work. The power plant experts, as could be expected, having suffered for several months in the airports of our immense Commonwealth of Independent States, simply stopped coming to our sunny Zabaykal area.

The attention and management of BratskGESstroy" also waned and, as a result of all this, the schedule for beginning operations of the first boiler was also delayed. Today they are talking about moving this schedule forward to March-April of next year. No one is taking it upon himself to say exactly what will really happen, although they were able to get the power plant experts from the CIS back on the job, thanks to an incredible effort.

Electric power problems are not worrying the management of the Priargunskiy Mining and Chemical conglomerate either, under whose jurisdiction is the Krasnokamenskii heat and power plant. They did not worry much before either, but now they generally feel very calm. Work on repairing equipment has been halted and there is a threat of a delay in starting operations for the seventh turbogenerator.

For all practical purposes, work on constructing the third phase of the Chitinskii Heat and Power Plant-I has been halted, the financing of which is supposed to be through dues paid by shareholder users in the oblast center. Of 151,600 rubles due for the first six months, only 108,500 have been received.

If we consider that there is no firm assurance in the stability of receiving electrical power from the east (140 megawatts) or west (300 megawatts), then we can only wonder in fear as to how we shall be able to survive the winter.

Meanwhile, without a murmur of protest—as befits law-abiding executives—we are sending up to four million tons of coal per year to users in the east, and at fixed costs to boot. Using our fuel, people along the Amur River, who receive cheap electrical power, decided to sell it to China at a great profit to themselves. In all this, we—the neighbors and suppliers of the coal—have apparently been relegated to the role of stepchildren.

...And nevertheless, sometimes we have plain, old good luck. During one of my trips I was able to buy a package of candles. My neighbor, seeing them, was at once interested in knowing where I got them. My friends and relatives asked the same thing. Apparently they do not want to sit in the dark during the long winter evenings. I am sure you will agree that it is not so sad and boring to

while away the evenings when you have a candle. 3.
HOPES ARE THE LAST TO DIE

Up to a certain time, all the people of Zabaykalye lived on hope. It seemed that just a little more time and the government of Russia would still make a final decision on the "Dauriya" free economic zone. And life would then get better despite all its difficulties.

But months passed, and Moscow did not hurry to release the reins of government of even such a backward oblast as ours. An examination of the crisis situation in the oblast at a meeting of the Russian Federation's Presidium of the Supreme Soviet did not budge the highly-placed government officials from their point of view, which can simply be interpreted as "don't let'em."

Numerous messages, telegrams, official letters, and calls on high frequency channels were like voices in the wilderness that never were heard by our own government.

The hopes that somewhat warmed the soul are gradually melting away. Gritting our teeth we endured all and lived with the thought that tomorrow it will be easier. Today it is clear that the future looks bleak for our oblast. So perhaps we have waited enough for the "kind gentlemen" in Moscow to organize our rivers of milk and shores of custard. The time has come to gather the best forces, which thank God have not yet been transferred to Zabaykal lands, and think deeply about our own program of survival.

Thus far, to our great sorrow, we are blindly following circumstances that have been forced upon us from above. Perhaps we should do the opposite and force our will on the circumstances. It is a shame to live in poverty, but it is more shameful not to do anything. Or, does someone have a different opinion?

Shanibov Threatens Russia With Civil War

934C0052A Moscow SOVETSKAYA ROSSIYA
in Russian 6 Oct 92 p 1

[ITAR-TASS report: "The Confederation Warns: Special Congress of the Mountain Peoples"]

[Text] The Confederation of Mountain Peoples of the Caucasus has changed its name to Confederation of Peoples of the Caucasus. This decision was adopted by a special congress of the mountain peoples of the Caucasus, whose two days of business ended, as an ITAR-TASS correspondent reports, late in the evening on Sunday in Grozny. This is not simply a change of signboards but the confederation's desire to extend the boundaries of its influence, affording the region's non-highland peoples an opportunity to join it.

We would recall that in August 1989 the representatives of several social and political movements gathered in Sukhumi and announced the creation of the Assembly of Mountain Peoples of the Caucasus. Last November the assembly was converted into a confederation. It elected

its parliament, formed executive structures and even created its own armed formations. But exerted as of this time no particular influence on life in the region. The situation was changed sharply by the events in Abkhazia. From the very first days the confederation's leaders roundly condemned the actions of the Georgian side and sent their volunteers to assist the Abkhazians. Even greater interest in this organization was attracted by the recent detention by the Russian law enforcement authorities of Musa Shanibov, president of the confederation, who four days later, in circumstances which remain unclear, was found to be at liberty and urgently convened this congress.

The participants in the forum adopted a number of documents, which made a comprehensive evaluation of the social and political situation in the region. The final declaration is evoking particular interest. The congress proposed that the official leaders of the North Caucasus republics "denounce the Russian Federal Treaty as not corresponding to the national interests of the peoples of the North Caucasus" and recommended that all social and political organizations and movements demand that the leadership of their republics seek real independence, conclude among them a political, economic, and cultural cooperation treaty, and recognize the independence of Chechnia, Abkhazia, and South Ossetia and also create a joint regional security force based on the national guards. In the event of republic leaders refusing to adopt these measures, the confederation threatens them with the organization of peaceful acts of mass protest and civil disobedience with a demand for the resignation of the antipopular leadership and the organization of early elections to republic parliaments.

The special congress of the Caucasus highlanders also demanded the immediate withdrawal of all Russian forces from the region.

The congress instituted the title "Hero of the Caucasus." The first recipients of this title were the volunteers who fell in Abkhazia.

It is planned to hold the first session of the parliament of what is now the Confederation of Peoples of the Caucasus following the special congress in two weeks' time.

There is a third-force plan for the extirpation of Russian statehood by way of the instigation of interethnic wars throughout the territory of Russia. This was stated by Musa Shanibov, president of the Confederation of Mountain Peoples of the Caucasus. The North Caucasus, he said, has been allotted "first place" in this plan. "The war in full will begin here since the first war also began here. The forces which want to unleash this war are striking at precisely this time. If the government of the Russian Federation continues to put its hopes in military force, the Caucasus war will grow into a general Russian civil war. It is now a question of whether Russia will be a strong state of a community of free and great peoples, to which the whole world pays

heed, or of whether we slaughter one another here," the president of the Confederation of Mountain Peoples of the Caucasus emphasized.

Musa Shanibov reported that he had escaped from prison, where he had been incarcerated on the orders of the Russian authorities, and was to have been given 92 years for the incitement of interethnic strife. But the leader of the mountain peoples emphatically rejected all charges against him.

From the Editors

In connection with the recent news of Musa Shanibov's interview it is appropriate to note that the escalation of the military conflict in the Caucasus was provoked to a considerable extent by his arrest. SOVETSKAYA ROSSIYA of 26 September published a transcript of our correspondent's conversation with V.G. Stepankov, procurator general of the Russian Federation, in connection with the detention of Musa Shanibov, president of the Confederation of Mountain Peoples. Confirming the rumors of his arrest, the procurator general declared: "The Russian Federation Public Prosecutor's Office has instituted criminal proceedings and is conducting investigations in respect to the fact of the incitement of national strife, which is punishable in accordance with our criminal legislation." Did the procurator general realize that his decision might have the effect of a lighted match in a powder keg?

President of Confederation of Mountain Peoples Interviewed

924C2451A Moscow NEZAVISIMAYA GAZETA
 in Russian 2 Sep 92 p 3

[Article by V. Dzhanashiya: "'No Problem With Weaponry Here:' The President of the Confederation of Mountain Peoples of Caucasus on the KGNK and Himself"]

[Text] Shanibov, Yuriy (Musa) Magomedovich (Mukhamedovich), the president of the KGNK [Confederation of Mountain Peoples of Caucasus], was born on December 29th, 1936 in the village of Staraya Krepost (presently the city of Baksan). He graduated from law school at Rostov University, and is a Candidate of Philosophical Sciences. He is an associate professor of political science (formerly scientific communism) at the Kabardino-Balkarskiy University. He is married and has two children.

The following talk took place in Nalchik in July, after the 20th, that is, before the events in Abkhazia. The inevitability of those events, however, was discussed (off the record).

- On August 25 and 26th, 1989, we the representatives of the national-democratic parties and movements of Northern Caucasus, Abkhaziya, and Dagestan, gathered in Sukhumi. This was after the well-known bloody conflicts between Abkhazians and Georgians in July. We

discussed the situation that was taking shape and reached the conclusion that it was necessary to create an Assembly of Mountain Peoples of Caucasia. The latter was a political movement which set as its goals: The recreation of a unified Caucasia, the recreation of a common Caucasian mindset, of a Caucasian consciousness. Its goals also included working to prevent conflicts between peoples, and providing mutual assistance to preserve Caucasian ethnicities. In a very short period we acquired a great deal of authority by preventing bloody conflicts from occurring in Tskhinvali in 1990, in Dagestan between the Chechen-Akkins and the Laks, and by forcing the Dagestan government to settle land disputes in a just manner. By the time of the Second Congress in Nalchik, we had become a large stabilizing force in Northern Caucasia, and an indicator of the peoples' interests. Then the Chechen revolution occurred. I was at the center of it, I knew everything from within.

I made a definite sacrifice, my doctoral dissertation. I needed two months in order to defend it. I had a strong scientific following, my own scientific school of thought. I have my own theory on the role of personality, and a theory of management. However, the powers that be deemed that I would apply my field of study in life. And I did this, tossing all else aside.

It had originally been intended that the Assembly of Mountain Peoples would be transformed into an OON [Organization of United Nations] of Caucasia. Territorially, we are bordered by Eastern despotisms and Europe. What is striking, however, is that we have always gravitated toward Europe. Therefore, when the question arose as to the transformation of our organization into a confederation nearing the convention of the Third Congress, the experience of the European community was used to create the structures that would serve as a basis. I endorsed this plan. There were opponents, of course. They became simply furious when I said that we needed to return to the behests of our forefathers, to recreate a Mountain Republic, and begin to build a unified state. They said, "What kind of confederation? We will simply be laughed at." Finally, the vice-president of Abkhaziya, G. Alamia, created a synthesis of plans.

I wander around Caucasia a lot, and every time I do I think of just how much we really are one people. After all, our forefathers were closely tied. However, the Empire tore us asunder. Therefore, the creation of a unified state is of utmost importance. We are doomed if we do not unify. We will be destroyed, we will be physically destroyed! And if genocide leaves something to remain, then there will be no saving us from ethnicide. We will have no future!

We have created something quite inoffensive. We have created not a confederation of republics, but a confederation of peoples. And now even my opponents have admiration for me. How far we have come! The Organization of United Nations is no longer a part of the scene. The future now lies before an organization of peoples. A

system of government which represents the interests of various peoples has not yet been tried and tested. We created such a unification of peoples purely by intuition. Sixteen groups of peoples have already joined... I did not want to be the president of the KGNK. However, all other candidacies were withdrawn. We have 16 vice-presidents, one representative for each group of peoples. In addition we have a committee of Caucasian communities. In essence that is our government. What is unique, however, is that these branch ministries, that we call communities, are the Soviets of Ministers of the KGNK Peoples [the executive bodies] for all respective areas: economics, self-defense, foreign relations, health care... Not long ago all ministers of culture met. It was an immense event. The chairman of the committee was Abkhazian Konstantin Ozgan. The legislative power belongs to the Caucasian parliament (chaired by Yusup Sosla mbekov from Chechnya). The KGNK arbitration court is headed by the renowned lawyer Zurab Achba, also from Abkhaziya.

We are ready to accept Rostov, Stavropol, and Kuban into our confederation as well. We agree with what Gamsakhurdia said not long ago: "Caucasia is our common home." We are also in agreement with what Shevardnadze said quite recently about the creation of a union of Caucasian states, and with what Dudayev has had to say. However, we, the mountain people, will deal as a separate entity with Armenia, Azerbaijan, Georgia, and Russia. In time we will go from being a Confederation of Peoples to being a Confederation of States. Lenin once said: "In order to unite, it is first necessary to break apart." I think that before we break apart, we must unite.

- Is not that a contradiction? You said that you created a Confederation of Peoples in opposition to organizations of states, yet at the same time, you talked about the development of the KGNK into a Confederation of Republics.

- If we were to represent just a mechanical union of the existing states, then there would be a contradiction. However, we believe that a transformation is taking place inside of these states and that soon new states will arise in these territories. No matter how much the apparatchiks think that their time will come again, if they do not leave in a sensible manner as Gorbachev did, and they attempt to regenerate the "brotherhood of peoples," either we will be buried together, or they will be physically destroyed. May God grant that this can be avoided. In five or 10 years, or perhaps a little longer. Caucasia will be entirely different.

- That is, each group of peoples will create its own state, and then they will unite?

- Yes! For if they do not create their own states, each group will taste and feel what will come of this partition. The end goal, however, is a Mountain Republic!

- The majority of readers really only know of a Mountain Republic from Lenin's open letter, which is now a part of

CPSU history courses, that was addressed to the "Communists of Caucasasia and the Mountain Republic." Perhaps you can explain what you see as the history of this entity and its future?

- First of all, I would like to say that we ought not speak of a Mountain Republic in the next few decades, and particularly in a form like that organized by the Bolsheviks. However, a Mountain Republic as it was organized by our democrats after the February Revolution is our long-range prospect. In the next 20 to 30 years, however, we will be dealing not with a republic, but with a confederation.

- And will that not also mean the reinstatement of an imamate, which ruled the "post-February" Mountain Republic?

- That type of imamate would not be accepted by the region entirely. To the east of Chechnya an imamate would be totally unfounded. However, even to the east serious changes have taken place. We will create a secular state of Western design, yet distinctly Caucasian, which expresses religious tolerance.

- The truest mountain people of all, the Karachayevs and Balkars, did not join the KGNK...

- They did not join the Assembly of Mountain Peoples either. They are, of course, repressed peoples, however... When the Balkars came back, the Kabardinskaya Republic gave them twice as much to rebuild as did the entire Russian Federation. They were given cattle, they settled our land: Seventy percent of Balkars live on what has historically been Kabardin land. With a hospitality and nobleness characteristic of Kabardins, every possible privilege was made available. The Balkars live primarily in cities, the Kabardins, in villages. For every 1000 people in the population, there are 10 Kabardins in top positions, whereas there are 14 to 15 Balkars. The Kabardins average 14 square meters of housing space, the Balkars, 18. And the development of science and intellect! During the 1989-1990 academic year 39 percent more Balkars were receiving instruction than were Kabardins. Without prior permission, they are taking over the best buildings in Nalchik, and the best lands in Kabarda. They are also nurturing plans to declare their own republic, Balkariya, sectioning off half of the Kabardinskaya Republic. The poet Kaysyn Kuliyeu is dying and is demanding that he be buried in Chegem, a Kabardin village. The Kabardins are yielding. Karachay is doing the same in relation to Cherkessiya. The former mended their bridges with Russia, and with a people at battle with the confederation members, the Cossacks. What Russian chauvinistic circles succeeded in accomplishing in Karabakh and South Ossetia, they also want to do in our lands. And Balkariya and Karachay are playing the role of a Trojan horse.

- Nonetheless, at the Kabardin People's Congress a decision was adopted to strictly declare the entire territory of the Kabardino-Balkarian ASSR as the Kabardinskaya

Republic. A similar situation occurred in Chechnya where the Checheno-Ingush Republic became the Chechenskaya Republic.

- Not exactly. Their republic did not become the Chechenskaya Republic, and here our republic is not going to become the Kabardinskaya Republic. Historically, all of this territory was Kabarda. However, we are going to determine the ethnic borders of Balkariya, and within these borders, let them declare themselves an empire if they like. Russia, has reassured the Balkars that they can have anything they want, while pointing them in the direction of the Kabardins. A slaughter could start. The response, however, will be horrendous!

- You are a lawyer. How legitimate is it for a social organization to create armed units?

- It is perfectly legitimate! The KGNK is not a social organization. We were a social organization when we were called the Assembly of Mountain Peoples. This is a Confederation of Peoples. Russia has now recognized that our congresses of peoples have in essence become a parallel power. And as a lawyer I will say that a nation or people is a sovereign entity, a bearer of governmental functions. A nation or people forms Supreme Soviets, and other government institutions. A people formed the confederation, by ratifying its creation at the congresses of founding peoples; with the exception of Abkhaziya. They did not want to exacerbate their domestic situation. Thus, these are perfectly legitimate peace-keeping armed forces. Without them the crisis in Chechnya, the seizure of a television broadcast station by enemies of Dudayev, would have had entirely different consequences. After all, it was namely our forces that stormed the television station. The Kabardins and the Russians were there. We will not allow a civil war to take place there. The imperialist dictatorship has strong military forces. We must counterbalance them somehow so that democracy is not oppressed. If they intend to recreate 1937 for us, they will be sorry: We are not without weapons now.

- But the KGNK is operating on Russian territory...

- Yes, and no.

- Do you consider then, that you have already broken away from Russia, according to the laws of which, the creation of "informal" military units is prohibited?

- We are obliged to Abkhaziya and Chechnya, where one and two battalions were created, respectively. This is not Russia, however. In all parts, the registration of officers and troops is taking place. Definite structures are being created. What is interesting, however, is that in Ossetia a national guard was formed, and Ingushetiya is fully armed. The Avars, acting together with us, have everything they need. Therefore, if we are pressed into a large battle, let he who thinks that succeeding here will be an easy time of it, be filled with trepidation. Such will be the waves we create! There is no problem with weaponry here!

- You are not alerted by the numerous internal conflicts taking place in the Confederation of Mountain Peoples? There is a struggle to break away, and domestic territorial disputes. Adygey, Cherkessiya, Dagestan, Kabarda, and Abkhaziya are exhibiting very different perspectives concerning the development of their regions. The KGNK's idea to recreate a Shapsug national region fell flat on the referendum. Does not it seem to you that these conflicts could destroy the confederation from the inside?

- Any development is founded on conflict. The confederation will survive if it learns to overcome conflicts. For that we have plenty of intellectual potential, scholars, and political figures. The same situation is true in Russia... And although I am an optimist, I doubt whether Russia will succeed in resolving its problems in the next few decades. Also, democracy never really did exist in Russia.

- There is a serious problem in Northern Caucasia which concerns, as it is now acceptable to say, the Russian speaking population, and primarily the Cossacks.

- It seems to me that playing the Cossack card is part of a policy to create chaos in the country, which will result in all democratic forces being weakened. Party bureaucrats will then come and say: "Now see what is happening?" And they will return to the way it was for another 70 years. Such are their plans, in which the Cossacks play a leading role. The Cossacks are now testing weaponry in Pridnestrovye. I am sure, however, that in time they will understand that they are once again being thrown onto the millstone to be broken up, and killed; we by their hand, and they by ours. As soon as the Cossacks start to fire, Caucasia will forget its conflicts. We will give them a second Afghanistan here that they will long remember.

- In the sphere of national policy, one might venture to divide Russian leadership into followers of the concepts of either Tishkov (the chairman of Goskomnats [State Committee for Nationalities]), Abdulatipov, or Starovoytova. Which of these three approaches are you impressed with more?

- The Goskomnats consists entirely of "Imperialists." Abdulatipov's position has undergone serious changes. Earlier he was an "Imperialist," but now his views are much more realistic, more centrist. Starovoytova presents the situation in a purely theoretical light. She reasons in a beautiful, yet scientific manner. She... She is a person of very keen intellect, and she has some very interesting things to say. She also has an interesting personality. She is politically correct.

- A last question. In your opinion, will there be military action in Caucasia, or will people find mutually acceptable compromises?

- Skirmishes may occur in Caucasia. I am convinced, however, that the etiquette, and wisdom of the Caucasian peoples will not allow a slaughter. After all, if shooting starts in Northern Caucasia, it will be hell.

Russian Procurator Comments on Mountain People's Chairman Arrest

924C2469A Moscow SOVETSKAYA ROSSIYA
in Russian 26 Sep 92 p 1

[Report on interview with Russian Federation Procurator General V.G. Stepankov by Yu. Lakerbay; place and date not given: "Suspected of Brotherhood"]

[Text] The Russian Federation Procuracy has detained Musa Shanibov, chairman of the Confederation of Mountain Peoples. Here is what the Russian Federation Procurator General, V.G. Stepankov, thinks about it.

It was already late, near midnight, when the telephone started ringing in the Abkhazian mission press center.

An excited voice read the following message:

"To R.I. KHASBULATOV, chairman of the Supreme Soviet Presidium, to V.G. STEPANKOV, procurator general of the Russian Federation, and to M.M. TUMOV, chairman of the national-state structure commission.

"Dear Comrades:

"We want to inform you that on 23 September, the Russian Procurator's Office arrested the chairman of the Confederation of Mountain Peoples, first deputy chairman of the Congress of the Kabardin People, Musa Shanibov.

"The only thing that Musa Shanibov is guilty of is his appeals to other ethnic groups that are members of the confederation, asking them to show their support and to help to the small Abkhazian nation, the victim of genocide conducted by the Armed Forces of the Georgian State Council.

"News of Shanibov's arrest has enraged the Kabardin people, as well as other ethnic groups of the North Caucasus.

"Given the volatility of our sociopolitical situation, the events in the region may become uncontrollable.

"We ask you to intercede immediately, to release Shanibov from detention, and to put an end to this persecution.

"[Signed] President of the World Circassian Association KALMYKOV; people's deputies of the Kabardino-Balkar Supreme Soviet URUSOV, TLECHEV, KHACHIDLOV, ATALIKOV, SHAKUYEV; head of the Kabardin sociopolitical organization Adyge Khase, people's deputy NALOYEV."

I would never have believed it if not for the signatures of these respectable people.

Finally, in the lobby of the "White House", I saw the person who could give me an exhaustive answer; I went up to the procurator general and asked him for a couple of minutes of his time.

Here is the transcript of our recorded conversation:

[Lakerbay] Rumors are circulating about the arrest of Musa Shanibov, chairman of the Confederation of Mountain Peoples. Is there any truth in them?

[Stepankov] Yes, there is. The Russian Federation Procurator's Office has initiated and is investigating a criminal case based on evidence of arousing interethnic feuding, an act punishable by law according to our penal code. This includes appeals to commit terrorist acts and military operations. I must add that Shanibov's arrest was not directed against the Confederation of Mountain Peoples, as was reported by the mass media.

The case is being investigated by a special team subordinate to the Procuracy of the Russian Federation. In Nalchik. Following the presentation made by one of the team investigators, Musa Shanibov, one of the confederation leaders, was detained in accordance with Article 122.

[Lakerbay] On the evening of the 23d?

[Stepankov] In the afternoon. Also, his apartment was searched yesterday. As well as some places considered necessary by the investigators.

During the three days following his arrest, he will be indicted on articles according to which the investigators have accumulated sufficient proof of his guilt.

[Lakerbay] In other words, this arrest is qualified as detention?

[Stepankov] Yes. Therefore, the investigation will continue.

[Biguaa] What do you personally think about the volunteers who came to help Abkhazia?

[Stepankov] I think that no volunteers ever brought peace to any country in the world. Every country should resolve its problems by political means.

Regions Respond to Energy Price Hikes

924C2469B Moscow IZVESTIYA in Russian 29 Sep 92
Morning Edition p 2

[Article by Sergey Leskov of IZVESTIYA: "One More Increase in Energy Prices May Start a New Round of Inflation"]

[Text] The average 150- to 200-percent increase in the cost of petroleum products continues to remain the main issue of the economic life of our country. IZVESTIYA's own correspondents are sending information from various regions concerning the reaction to the price increase, in motor vehicle facilities especially.

Vladimir But from Rostov-on-Don: A private car owner finds it practically impossible to fill his car with Ai-93 gasoline, as he has to wait in line for over 15 hours. Talks with oil processing enterprises on new prices are still going on, and every plant offers its own wide range of figures. Meanwhile, the absence of Ai-93 gasoline at gas stations forces ambulance drivers to fill up their vehicles with other types of gas, and for this reason the ambulances break down very often. At the same time, the lack of Ai-76 gas delays regular police patrols. Rostov Oblast is expecting another jump in prices for fuel and lubrication materials as early as January.

Yuriy Perepletkin from Tyumen: Lines at gas stations have become longer. New prices have not arrived there either, and drivers are trying to stock up on gas. But even the managers of the Tyumennefteprodukt association do not yet know the new price list. However, fuel was already delivered to the northern areas during the navigation season, and no shortages of it should be expected. But people are still running around with empty gas cans, and this makes people think that the problems with fuel have been stirred up artificially.

Will the new costs finally make us less wasteful in our fuel and energy consumption? We have already had a price increase, but it failed to cut back our consumption or to help us introduce new technologies; instead, it made prices rise everywhere. Obviously, the new decision contradicts in principle the "Concept of the Russian Energy Policy Under the New Economic Conditions," which was presented by Deputy Prime Minister V. Chernomyrdin and which received wide support at the Russian Federation government session of 10 September or, in other words, quite recently.

The key point of the program is the one-time liberalization in the costs of petroleum products without the fear that they will rise immediately to the world level. It was also suggested that the mining enterprises be compelled to pay rent for the use of our natural resources. The government should redistribute the income from this rent, which measure is estimated to lower the retail price of fuel by 40 percent. It was suggested that the compensation be channeled primarily into agriculture, public transportation, and social services. According to estimates, 40 million out of 50 million Russian families would have received sufficient compensation. On top of that, the rent money could be used to reduce the value-added tax in the manufacturing and consumer goods industries.

According to A. Makarov, corresponding member of the Russian Academy of Sciences and director of the Institute of Energy Research, a step-by-step price increase, which is not the first one, either, resembles cutting off a dog's tail bit by bit, out of pity for the dog. One more increase, thinks this scientist, may bring only temporary relief in the fuel and energy complex [TEK] situation, but it will not really align its prices with those on the world market. The reason is that this measure, in the long run, will start another turn of the inflation spiral.

the prices of all goods will go up, but the rate of the ruble will decrease, on the contrary, after a while, and the correlation of fuel prices will go right back to where it was before.

According to some information, our government felt inspired by its experts and advisers and really decided to liberalize the costs of petroleum products and to demand the coveted rent from the mining industry. But their decisiveness fizzled out when it ran into the unanimous position of the "oil generals" at the head of about 200 major mining associations in Russia. The measures outlined in the concept and a transfer to a civilized economic policy within the fuel- and energy-producing complex would have stripped them of their immense power, which is based on their games around the difference between the Russian and world petroleum products prices.

It is quite obvious that the resistance to the introduction of any civilized economic measures is not going to relent. Considerable political persistence is needed to enable Russia to change to the energy resources policies adopted in the world. It should not be government persistence only. The government position has to be supported by the decisiveness of our parliament and the Central Bank. But there is no agreement at the top now, and it presents no difficulty to manipulating the contradictions existing within these structures.

Luzhkov's Effort To Block Inquiries on Deals With Developers Viewed

924C2435A Moscow KOMSOMOLSKAYA PRAVDA
in Russian 23 Sep 92 p 2

[Article by S. Sokolov and S. Pluzhnikov: "The Battle of Moscow: Why Yu. Luzhnikov Got Scared of Yu. Boldyrev's Check-Up." The article is under the rubric "A KP Investigation."]

[Text] The hour struck. The Marquis de Carabas' time had come. The songs with all the bravura and self-confidence, in which the city of Moscow is mentioned as a collective term of the "...my Moscow" type, are a subject to be forgotten immediately. At night, along the Sadovyy Ring, the Polyanka, Ordynka, and along the boulevards and the Tverskiy Prospect speed cavalcades of black Mercedes and Volvos. From time to time an automobile in the lead will slow down and, in answer to a silent question indicated by a pointing hand—"Whose building is that? Whose land is that?"—the shadowy figures of caretakers and neighborhood militiamen look at their maps and monotonously report: "They belong to the marquis, the marquis, the Marquis de Carabas."

We saw this map, this map of sold-out and mortgaged Moscow, this map that is divided into spheres of influence, whose inhabitants have been gambled away—as were at one time peasant souls with their little villages—by various contracts and agreements. Is this the map of our city in the near future? Our well-cared-for and beautiful city?

So we are walking along Zamoskvorechiye, along Bolshaya Polyanka, and instead of a compass we have a pile of documents. Now in this house the roof has collapsed, in this one a wall has cracked, here a stairwell has collapsed and the little female mail carrier was just barely able to grab the bannister in time. A first aid corpsman cannot be lured into this cellar even with money; this is the breeding spot of wood lice and cockroaches. And here is something that is not a house, but a tragicomedy: A man went into the bathroom and before he had time to sit down, the lavatory pan dropped through the second floor down to the first. And this is not all yet. Prior to this time, a lavatory pan had dropped down from the first floor to the cellar....

We are walking along Zamoskvorechiye. For the last two years under the pretext of a bright future without cockroaches, the owners of the Mercedes cars have been tearing apart Zamoskvorechiye, block-by-block and selling it for practically nothing ("for its residual value"). It goes without saying that a new, elite resident would move into the renovated houses and displace the former citizens who were plagued by leaking roofs before. No one had to force the old residents out; they would have left on their own accord because they could not have afforded the rents charged by the new owners.

Anyway, let it be. Let us not force the issue or blacken anyone, but rely simply on the expertise of Tina Dvokayeva, who together with her colleagues from the Fund for the Protection of Citizens has thoroughly learned about all the transactions of the commercial firm UKOSO that was established during the October Executive Committee session. UKOSO, in the name of the Executive Committee has taken charge of all property belonging to the district.

These sweet and nice people from UKOSO found people in cooperatives and small enterprises who were no less sweet than they, and concluded such deals with them for renovating buildings and under such conditions as if we were speaking not about the center of our capital city, but at least about major improvements on the Baykal-Amur Main Railroad Line. The "Fovon International" Construction Company was given the Kadashevsk Steam Baths architectural monument for restoration, with a subsequent right to acquire the building for itself. The "Interplus" Corporation, in exchange for a capital renovation of a building on V. Ordynka, was given the right to rent it until the year 2007 and the option to purchase the land when the appropriate law is passed. The "Inconsalt" firm concluded a contract on the possible privatization of a building on Bolshaya Polyanka valued at 167,481 rubles as of the signing of the contract. And until the privatization, it has been permitted to sublease the building to foreign firms and keep all the monetary profit for itself. The small "ADS" enterprise was going to give only two buildings to the municipality out of the six that it had reconstructed...

Imagine that you decided to renovate your three-room apartment, but as a reward for this, the construction

people receive ownership of two rooms or even all three rooms. It was roughly on these kinds of generous terms that Yuriy Gusev, the director of UKOSO, and his gang concluded scores of agreements. True, in some cases this generosity is fully explained in additional agreements, which were concluded as "add ons" to the first document. That is what happened to the newspaper KOMMERSANT, which signed an agreement with UKOSO regarding the lease of a half hectare of land on Malaya Yakimanka for the construction of an office building. The lease for this sweet little deal was only 200,000 rubles per year, but there was also a supplementary agreement which cost KOMMERSANT six million rubles. As Yu. Gusev explained in one of his letters, these millions "constitute payment for ... services rendered for selecting the site in question, completing the necessary documentation, and receiving the right to conclude a long-term lease agreement." In the language of modern Russian business, these supplementary contracts are significantly called (with an understanding smile)—"sidesplitters."

In any event, KOMMERSANT was not so lucky. After a series of scandals, the Moscow government abolished UKOSO, and now all its contracts are being reexamined from the aspect of a gain for the municipal budget. And perhaps not all is lost yet, because these contracts are being reexamined with the participation of the firm, "Corporation for the Development of Territories," headed by the very same Yu. Gusev.

Anyway, we are walking along Zamoskvorechiye. It is a sad and unpleasant excursion. We have a pile of documents in our arms which, by the middle of summer became the starting point for the Control Directorate of the President's Administration Office. This office embarked upon an examination of "the rate of privatization of enterprises in trade, public catering, general service, and the housing fund" in the center of Moscow. On July 21st Yuriy Boldyrev, the main state inspector of the Russian Federation assigned four groups of his specialists to check: (1) the Moscow mayor's office and the Committee for Managing City Property; (2) The Committee for Housing and Communal services and Mosprivatization; (3) the Prefecture of the Central Okrug, especially in the districts of October Square, Tversk, and Sretenka; and (4) the city of Zelenograd.

But the inspectors did not even have a chance to begin their work when on August 3rd Yuriy Luzhkov signed a telephone message that was unprecedented in its rudeness. This message was sent to all the prefects: "URGENT! In connection with a number of questions that have come up while employees of the Control Directorate (CD) were fulfilling the orders given by Yu. Yu. Boldyrev, Chief of the CD, ... I am requesting that materials not be prepared for this commission until the final resolution of the afore-mentioned questions and until I give my special permission." In essence, the mayor dared to forbid a presidential inquiry. But Luzhkov apparently knew what he was doing. The story of how events unfolded during the

following two days will possibly be told by Yuriy Boldyrev some day in his memoirs. What went on there behind the Kremlin walls? They say that Luzhkov spent a very long time in Yeltsin's office. They say that Yeltsin's old friend from his construction days, Vladimir Resin, had some sort of role in persuading Yeltsyn (Resin is presently Deputy Prime Minister of Moscow; on the first anniversary of the coup, Resin was one out of the twelve people to whom Yeltsin awarded an inscribed watch). In any case, people say all kinds of things.... On August 5th, however, Boris Yeltsin issued an order: "Stop the work of the Commission on Verification in the city of Moscow until details of the verification have been clarified with the President of the RF."

Not so long ago economist Larisa Piyasheva told us about her meeting last spring with Yeltsin which took place just about the same day as his decree on the struggle against corruption. "Yeltsin," said Piyasheva, "is a rather flirtatious man. He began to joke, but I immediately spoiled his mood with a rather straight question: Boris Nikolayevich, aren't you afraid that if your decree is enforced that you will find out many new things about those who are nearest to you? I know, said Yeltsin, and after a pause he added that he personally is not involved in anything like that."

Piyasheva, doing research on economics and power from a criminological point of view has heard about a lot of things. It is precisely because of this that she was not surprised when Boldyrev's inquiry was halted. She had only a one word comment to make about Yeltsin's decision: "circumstances." And inasmuch as we believe Larisa Piyasheva is a spiteful woman—but in a good sense—a couple of weeks ago she gave Boldyrev her eight-page letter, entitled unpretentiously, but designed to take the chief state inspector's breath away: "On the Question of Verifying the Activities of the Municipal Administration." In the letter, on the basis of her ten-month work experience in the mayor's office, Piyasheva spells out in detail the what, where, and who in Moscow should be "looked into." Here are just a few excerpts from the text of her fascinating letter:

"Subject to correction:" —"the origin of financial resources, not only from our side, but also from foreign sources. (There is evidence regarding the protective policy of government officials who have concluded agreements with either foreign firms which paid bribes or firms that are of suspicious, i.e., criminal, origin;" —"expense statements of funds received. There is evidence that this form of activity was the basis for the disappearance of capital, i.e., spending money for personal use; also, a legalized method of taking money abroad and sheltering it from taxes;" —"Personnel from the executive branch and heads of departments, with regard to administrative positions that they held at the time in question. There is evidence that these persons simultaneously worked in administrative positions and established pseudo-private enterprises "for themselves" by using their government status."

Strictly speaking, one does not have to look long to find examples of these findings. We shall give only two of the most telling examples. The first one is from December 12, 1990, when Yu. Luzhkov was still the chairman of the executive committee of the Moscow soviet and became the founder of the "Orgkomitet" joint stock company. The second example dates from the autumn of 1991 when then mayor of Moscow, G. Popov, invested 100,000 rubles in the "Fund for Development of the International University," a limited liability association that he founded.

Two weeks ago when we first saw a packet of documents naming the Popov family, we began checking on whether this could be a forgery. Everything looked very improbable and awkward: One of the highest officials in the state, a political figure, a democrat, and so on—and a founder (physical person) of a private firm? After that there was a whole series of meetings and talks. There was also a meeting with Aleksandr Belyayevskiy, general director of the development fund and a direct subordinate of Gavriil Kharitonovich. Seeing one of us carrying a packet of incorporation documents, Belyayevskiy spoke rather unpretentiously. The general essence of what he said could be summarized in a phrase to the effect that "we shall not leave anything the way it is and would like to protect you from certain a unpleasantness."

So, very well. What kind of unpleasantness? We left the meeting completely discouraged, wandering along Novyy Arbat, turned to Znamenka, sat for a while in a little cafe on Lenivka, and then—still in the same mood—dragged ourselves to the Bolshoy Kamennyy Bridge with its beautiful views of the Kremlin. They are making fools out of us! And they treat us like idiots! We are simply some kind of hard-brained lost souls.... The hell with him, the law on competitiveness, and the decree on corruption. Something else is more important. Remember what our heads were filled with during the last days of August 1991: Barricades, the "White House," the coup, communists, democrats.... But what was Gavriil Kharitonovich Popov doing in addition to various government jobs? On August 31st, together with academician Ye. Velikhov and Metropolitan Pitirim, he signed the protocol on founding his private firm, the "Fund for Development of the International University."

Remember the tense September days of the President of the USSR. It would be interesting to know under whose influence he signed an order on September 14th in which the fourth point reads: "The Committee for Operational Management of the USSR economy will decide on questions relative to activities of the International University on the territory of the USSR and on funds that have been granted to it." Remember, finally, the impassioned speeches at endless meetings of people who were brought to a state of frenzy and hatred with words such as "party apparatchik" or the abbreviation "CPSU." And during this same time a founding document was being signed, establishing an association with capital

stock totaling 500,000 rubles. This was a fund in which the founders managed to coexist in the same cohort: Gavriil Popov (investment of 20 percent, or, 100,000 rubles) and former deputy chief of the CPSU Central Committee Directorate of Affairs Valentin Leshchinskiy (13 percent, or, 65,000 rubles). One remembers that in those days attacks by the mayor of Moscow against the party nomenklatura rang out especially loud and clear.

And everything is in good order with the rest of the co-founders of the fund. What does the law "On Competitiveness" mean to them, in which the coexistence of government service and business is forbidden: Yevgeniy Bystrov (13.5 percent, or, 67,500 rubles), former charge d'Affaires in the USSR President's office, is at present administrative chief of an organization for a special work complex on the future development of Moscow and is the president of the Development Fund. Vladimir Resin (13 percent, or 65,000 rubles), chairman of the Moscow Construction Committee and deputy prime minister of Moscow, according to his own words left the group of founders when the decree on the struggle against corruption came out. Yuriy Proshin (13 percent) also left the Fund when the decree was published and is now working as the chief of KhOZU in the administration of the President of the RF. And again, the same Valentin Leshchinskiy who recently held the position of chief of the amalgamated children's institutions, health resorts, and the hotel complex of KhOZU in the president's administration, even now—as we have been told—"works for the president." With this kind of line-up there can be no doubt that everything is in good order with regard to the commercial activities of the Fund for Development. The same goes for the dividends.

We are standing, leaning against a parapet of the Bolshoy Kamennyy Bridge, and eyeing the Kremlin. Yes, these people turned out to be smarter and more far-sighted than us in some ways. Really! What the devil kind of a struggle between democrats and communists is this?! We ourselves joke about it on every street corner, trying to say it as a tongue twister: "party apparatchik, democratchik." We understood this, however, only a year later. They knew this was balderdash, but continued and still continue giving inflammatory speeches at meetings. They love to look us squarely in the eye and love to make sacred vows. Before, they did this by laying their hand on the party card; now, they do it by swearing by all the saints. Let us remember (see: KP, December 19, 1991) how Yuriy Mikhaylovich Luzhkov was assuring our readers that he was not present at the founding meeting of the "Orgkomitet" joint stock company, even though the record of proceedings showed that he WAS PRESENT and VOTED. A minor matter? Are we being picky? Let us remember the politician Gavriil Popov, with whom hundreds of thousands of people fell in love, losing their heads over him. And perhaps that is why they fell in love with him, because "they lost their heads." We believe, listen, and forgive misrepresentations, and forget their lies, and when we get tired of all this (and we get tired of it quickly), we go to see a Mexican movie

They are politicians and they are more far-sighted than we, but why do we unquestioningly accept even their most cheating rules of the game? Do we like to live like this? Have we lived like this for a long time?

INTERNATIONAL AFFAIRS

Relations With Finland, Border Situation Viewed

924C2474A Moscow NEZAVISIMAYA GAZETA
in Russian 25 Sep 92 p 2

[Article by Denis Gurinskiy, "Radio Russia" board of directors, St. Petersburg: "Russia-Finland: Border News; Russian Border Guards Are for Retaining 'Barbed Wire' on Border, and a Demilitarized Zone Is 'Far Off'"]

[Text]

The Border

The Russian-Finnish border, in contrast to the Russian-Japanese or Estonian border, has not yet become the center of public attention. The operational situation here, perhaps, is more stable. However, the Finnish side has perceived a threat to its national interests of late from the aspect of the army subunits billeted in the Russian border zone, and it is obviously not in a hurry to liberalize visa procedures for Russian citizens. The Finns, as it seems, have every reason to fear some kind of "intervention" from Russian land: Almost 1,300 kilometers of Russia are guarded with the help (unofficial data) of six border detachments, 16 commandant's offices, and no less than 50 rear services and line and border outposts, plus an independent border flotilla in the Barents Sea and the headquarters of the Northwest border district, and the overall numerical strength of the border detachments, again according to unofficial calculations, exceeds 5,000 persons.

The volume of army units deployed along the border is also imposing, and it is hardly likely that the zone will be demilitarized in the foreseeable future to that level for which Finland is fighting (in which it recently succeeded in convincing Boris Yeltsin recently). The Helsinki statement of the Russian president concerning the phased withdrawal of the Russian Army from the border bears, rather, a declarative character.

But at present, according to certain data, no less than seven divisions of regular units of motorized infantry, military air, airborne, and other forces are deployed along the border. Dozens of air defense (PVO) centers control the air space, and training operations are taking place in garrisons with heavy armored equipment. In rayons bordering Finland the nominal existence of divisional subunits with contingents of reservists—local natives called up for service only in the event of a worsening of the border situation—is also being practiced. In this context it is extremely difficult to calculate the real army contingent, but, as one of the officers of Air

Defense headquarters told me, there are 50,000-70,000 soldiers and officers on the border with Finland.

Military experts acknowledge the inadequate Finnish militarization of our border territory, simultaneously emphasizing the absence in Russia of any kind of hostility toward the Finns.

"All of the new military units that come to us are immediately reduced to a normal headquarters complement, so that the total number of troops deployed along the border remains unchanged," asserts Colonel Aleksey Merkuryev, the commander of the Sortavala division. However, he himself would welcome an even greater reduction of army forces, but only under conditions of increasing the qualitative parameters, which cannot be achieved now in any way because of the material-financial deficit. As Merkuryev says, "the execution of our functions in this theater of operations" in no way threatens the Finns, and all their fears on this score are "groundless."

Colonel Merkuryev and other commanders of border divisions are also experiencing the pressure of officers without quarters, who are living in barracks and medical centers equipped as primitive "bachelor officer quarters." Their commands, therefore, are inclined to look at Yeltsin's statement on the demilitarization of the border only through a social prism: If housing is made available in new stationing localities—we will begin our withdrawal from the border according to schedule, if not—problems will arise for the authorities.

Border Regime

The border regime has now been adjusted substantially, and in particular the border zone has been reduced from 50-60 kilometers to 3-5 kilometers or entirely eliminated. Border control and rear services border outposts are retained. The present task of the Russian Border Troops is to suppress attempts at the illegal penetration of the border zone even in the distant approaches—tens of kilometers from the line of the border. For this purpose, the Border Troops at border stations and settlements now independently keep their eyes on newcomers and are concerned about the apathy of the local population.

Captain Valeriy Armeyskiy, deputy commandant of the Suoyarvi border detachment, forecasts an activation of border trespassers if the authorities do not immediately revive the practice of material incentives for volunteer assistants for the Border Troops. "Previously, we expended far less forces on exposing and inhibiting potential violations, receiving timely information from the border population. But now we have lost almost all of our informants."

Simultaneously with this, new categories of trespassers have turned up on the border line itself. These are foreigners who are in transit through Russia and who illegally try to transport counterfeit currency, weapons, drugs, and stolen cultural valuables to Scandinavian

countries. "Aleksandr Mazheyko, chief of the 16th border outpost of the Sortavala border detachment, arrests such trespassers several times a week on his eight-kilometer sector of the border, mainly Romanians and Iranians. He is convinced that if the border regime is liberalized even more the territorially most vulnerable places on the border—Sortavalskiy and Suoyarvskiy Rayons—risk serving as a springboard for massive smuggling.

However, the authorities in Moscow and Petrozavodsk seemingly intend to encourage a great openness of the border with Finland. Besides reducing the border zones, they are now setting up about 20 new checkpoints on previously abandoned country roads. The Border Troops assess these posts as a legalization and even an incentive for dumping exports of Russian raw materials acquired on border area land. The authorities, in turn, comment on the innovations as measures aimed at expanding humanitarian cooperation.

Viktor Stepanov, the leader of Karelia, supports an immediate "democratization" of the border regime, justifying this by the growing friendship with the Finns.

In a conversation with me Stepanov declared that his administration is trying to achieve the removal of all restrictions on visits to the border zones by citizens of Karelia and that he is consulting with the Finns on the introduction of long-term multiple-use visas for residents of border territories.

Gennadiy Trofimov, deputy chief of administration of Suoyarvskiy Rayon, who handles border questions, is wavering between opening his rayon to the outside world and retaining the present stability existing in the rayon owing to a strict border status. Therefore, Trofimov would like freedom of movement only for the border population, especially because with this approach he guarantees safety to Finns during their trips in the rayon.

About the 'Karelian Question'

Stepanov, head of the Karelian parliament, is categorical on this question: "Such a problem does not exist for me, inasmuch as Finland does not have and will not have any sound legal or economic basis for territorial claims on Russia. The present border has been recognized twice by both sides in the Treaty of 1948 and the Treaty of 1992, and the attitudes of an overwhelming majority of residents both of Karelia and Finland will not allow revanchists to become active."

A similar opinion is held by Gennadiy Trofimov, one of the leaders of Suoyarvskiy Rayon, a former Finnish province before the war: "The 'Karelian question' is not urgent for me. About 90 percent of the residents of the rayon settled here right after the war, and they feel that they are Russians—so they would give a negative answer to any plebiscite on reunification with Finland. This is also understood by Finns who are guests here, including those who left their homes here after the war."

The rayon administration, nevertheless, is loyal to the so-called "nostalgic" tourism, when Finnish families visit their former farmsteads that became degraded under Soviet authority. The administration now agrees to restore dozens of these farmsteads, which are scattered over the rayon with an area of 13,000 square kilometers, if their former owners will finance the work. But the Finns are obviously not interested in reviving their farmsteads and, with rare exceptions, are satisfied just with contemplation.

At the same time, the managers of Karelian rayons that border Finland are ready to assist in the restoration of former ethnic enclaves that were demolished by the Soviet regime. This is in reference to groups of Ingermanlanders and Izhors who now live in the country of Suomi and who perceive the "Karelian question" more dramatically.

The Karelian side is now contemplating several projects for the revival of the settlements of these minorities, but the authorities are already warning that they can grant only marshlands, and only on the guarantee of their drainage and cultivation on the part of the new settlers.

Medvedev Accuses Estonia of Unilateral Treaty Revisions

934C0008B Moscow NEZAVISIMAYA GAZETA
in Russian 22 Sep 92 p 3

[NEGA report: "Estonia"]

[Text] "The Estonian side is not taking account of political realities," Nikolay Medvedev, chairman of the Mixed Russian-Estonian Commission for Supervision of the Progress of Compliance With the Treaty Between the Republic of Estonia and the Russian Federation and member of the Russian Federation Supreme Soviet Presidium, who on Saturday, upon his return from Estonia, held a news conference, at which, naturally, questions connected more often than not with the observance of human rights in this republic effervesced. The elections to the State Assembly, from participation in which 42 percent of the population was excluded, are, in Medvedev's view, a demonstration of the strategic course of the Estonian legislators, whose legislative and legal base does not, to put it mildly, correspond to the rules of international law. If we trust his information, the Estonian side was the first, shortly after the ratification of the bilateral Russian-Estonian treaty, to call in question certain basic, in Medvedev's opinion, positions of this treaty. Thus Article 3 of the Treaty on the Principles of Relations Between the Republic of Estonia and the Russian Federation, concerning questions of citizenship, is being interpreted by the Estonian side from the standpoints of restoration of its statehood. And Tallinn considers the point of departure here the Tartu Peace Treaty presupposing a revision of the current borders. Medvedev sees as the nonsensical nature of Estonia's position not only the fact that it is, in violation of all rules of international law, unilaterally revising the treaty

but also the fact that by territorial claims against Russia and the infringement of the civil rights of part of its population—and a considerable part at that—Estonia is creating a precedent for a spurring of tension in relations between the countries.

Czechoslovakia Retains Strong Trade Ties With Russia

934A0007A Moscow *EKONOMICHESKAYA GAZETA*
in Russian No 35, Aug 92 p 3

[Article by Karol Lasky, head of the department of trade with the CIS, Georgia, and the Baltics of the Federal Ministry of Foreign Trade of Czechoslovakia: "Czechoslovakia and Russia: We Shall Continue To Trade..."]

[Text] Economic ties are more reliable and durable than political ones. And if a wall can be destroyed in a couple of days, it is sometimes difficult to change the structure of trade even in several years. And is it worthwhile to change it—after all, Czechoslovakia has been a reliable trade partner of the USSR for a long time. What is the situation today? The modern level of Czechoslovakian-Russian trade-economic relations is discussed by Karol Lasky, head of the department of trade with the CIS, Georgia, and the Baltics of the Federal Ministry of Foreign Trade of Czechoslovakia.

Within the framework of general foreign trade relations between Czechoslovakia and the republics of the former USSR, the Russian Federation is our largest trade partner. Its share of Czechoslovakia's overall imports from these republics amounts to about 85 percent, and exports—approximately 73 percent.

In the structure of Czechoslovakian imports from the Russian Federation, fuel and energy resources, raw materials, and metals dominate, and in Czechoslovakian exports to Russia—machines, equipment, means of transportation, batching items, and spare parts for previously manufactured equipment.

The new conditions for mutual trade, introduced in 1991 in connection with the transition to payments and settlements in freely convertible currency, served as an impetus for searching for new approaches that make it possible, within the framework of the internal systems, to create a mechanism of mutual trade and economic relations which would provide a space for satisfying the most important needs in the crucial branches of the national economies of both states.

The signing of the basic agreement between the Government of Czechoslovakia and the Government of the Russian Federation concerning trade and economic relations and scientific and technical cooperation (25 March 1991) helped to overcome the initial difficulties involved in the transition to payments and settlements in convertible currency.

As of 1992, in order to conduct commodity exchange between Czechoslovakia and the Russian Federation, a

mechanism was developed based on legislative norms of the Russian Federation in effect at that time.

This mechanism was included in the protocol between the Government of Czechoslovakia and the Government of the Russian Federation concerning trade and economic relations in 1992, which was signed on 16 January 1992. This protocol resulted in the agreement between the joint-stock company Czechoslovakian Trade Bank and the Bank for Foreign Trade of the Russian Federation, concerning the means of payment and settlements for deliveries of goods and services in 1992.

All payments and settlements between Czechoslovakia and the Russian Federation are made in freely convertible currency at current world prices, in keeping with the principles, conditions, and forms applied in international trade and financial and banking practice.

A rough estimate of the volume of Czechoslovak imports according to the aforementioned protocol is approximately \$1.8 billion. This includes deliveries of 7.5 million tonnes of oil, 13 billion cubic meters of natural gas, fuel elements for nuclear power plants, and 49,000 tonnes of nonferrous metals. This accounts for a total of 21 import items.

The Czechoslovak side pays for the aforementioned imports with deliveries of Czechoslovak goods for a total of approximately \$1.6 billion. The aforementioned mechanism consists in the fact that the Czechoslovak buyers of these basic Russian goods gradually, as purchases are made, make payments to the joint-stock company Czechoslovakian Trade Bank. The funds are used to make reimbursement for the cost of goods in which the Russian Federation is interested (food, medicine, chemicals, machines, batching items, spare parts, etc.), and pays the Russian debt. Two of these items account for 40 percent of the hard currency incomes claimed by the center of the Russian Federation from the hard currency incomes of Russian enterprises.

The remaining 60 percent of the value of Czechoslovak imports from the Russian Federation—according to the aforementioned protocol of 16 January 1992, which, according to Russian rules in effect in the first half of 1992, Russian enterprises could leave in a transition account—was transferred to accounts of the joint-stock company Czechoslovakian Trade Bank by specific Russian enterprises: exporters of oil, natural gas, nonferrous metals, etc. This opened up possibilities of which Czechoslovak exporters of their goods could take advantage.

Deliveries during the first half of 1992, especially Czechoslovak export deliveries, were accompanied by a number of problems: Certain factors were clarified, and the productivity of the Russian economy continued to decline. Therefore, reciprocal deliveries in keeping with the mechanism described above did not reach the initially presumed volume in the first half year.

Before they were able to make deliveries in the full volume according to the adopted mechanism, President

Yeltsin's Edict No. 629 of 14 June of this year came out. It radically changes the agreed-upon method of mandatory sale of part of the hard currency in cash and collection of an export duty.

This edict, along with B. Yeltsin's Edicts No. 628 of 14 June 1992 (the establishment of new conditions for exporting strategic raw material) and No. 630, also of 14 June of this year (the introduction of a temporary import customs tariff), and the Decree of the Government of the Russian Federation No. 396 of 14 June 1992 (sale of export quotas not used by producer enterprises to the Ministry of Foreign Economic Relations of the Russian Federation), was adopted in order to stabilize the exchange rate of the ruble, to protect Russia's economic interests, and to increase incomes into the state budget as well as in order to stimulate the development of domestic production with a high degree of processing of raw material.

At the present moment, the Czechoslovak side is interested in how the aforementioned Edicts of President B. Yeltsin Nos. 628, 629, and 630 and Decree of the Government of the Russian Federation No. 396 will affect the intergovernmental agreements on trade and economic relations that have been concluded and clarified by the corresponding protocols for 1992, a constituent part of which in relations with Czechoslovakia is the mechanism for reciprocal deliveries, payments, and settlements. The possible differentiation of the effects of the information in the edicts on the economic subjects in certain areas, associations, etc. is open to question.

The expected solution to the given set of problems by authorized organs of the Russian Federation during the time remaining before the end of this year will affect the level of reciprocal trade relations to a significant degree. The full application to trade with Czechoslovakia of President B. Yeltsin's Edict No. 629 of 14 June of this year and the application of the list of goods on which an export duty is imposed upon exit from the Russian Federation, which was updated on the basis of this edict, as well as the updated imposition of duties on these exports in relations with Czechoslovakia, will in all probability lead to a sharp reduction of commodity turnover.

Based on experience in conducting reciprocal deliveries in the first half of 1992, one can state that while the plans of the Czechoslovak side are almost the same now as they were when the aforementioned protocol was signed, on the side of the Russian Federation there have been abrupt changes regarding applications for imports from Czechoslovakia. Specifically, this means that while in January of this year the Russian side demanded that we deliver it mainly food and medicines, and the orders for machine building products amounted to only about \$70 million, now the situation appears to be the opposite. This is a logical result of the fact that the Russian Federation is now receiving a number of food products and medications that are in short supply within the framework of various forms of aid from the developed

countries of the world, and an immense quantity of machines and equipment which for decades has been delivered from Czechoslovakia is partially worn out and requires many parts, sets of equipment, etc.

In connection with the current development of the economy of the Russian Federation and the related sharp decline in the exchange rate of the ruble in relation to the American dollar, the products of Czechoslovak machine building cost too much for the majority of Russian clients, although it still is not as high as the world level.

In certain cases, the following solution is suggested. Enterprises with an urgent need to import certain parts or components from Czechoslovakia but do not have their own foreign currency could offer their deliveries or services (for example, transportation, etc.) to those that have these funds, for example, petroleum or gas extraction enterprises, so that the owners of the freely convertible currency would buy for them what they need from Czechoslovakia. There is no doubt that this would not be simple in practice, but such a version is possible. By combining various methods of mutual settlements, it would be possible at least partially to step up Czechoslovak machine building exports to the Russian Federation and at the same time to satisfy the urgent needs of Russian enterprises which require deliveries from Czechoslovakia.

Of course, both sides have the possibility of trading outside the framework given by the aforementioned protocol of 16 January 1992. They can trade for freely convertible currency which, in spite of the difficulties, certain Russian enterprises have, and, in the second place, these enterprises this year were given the opportunity to conclude barter transactions, which was impossible in the first half of the year. But one must add to what has been said that increasing the export duty by 30 percent when shipping goods out of the Russian Federation will undoubtedly impede the conclusion of barter transactions.

In conclusion, I would like to say that both now and in the future it will be necessary to search out all possibilities of development of Czechoslovak-Russian trade, including ones which seem only partially realistic. Czechoslovakia's unchanging needs in the area of the provision of raw material shipped in from Russia, especially fuel and energy, the functioning of the petroleum and gas lines with minimum transportation outlays, the excellent knowledge of the conditions in which Czechoslovak technical equipment is used by Russian clients, including a good knowledge of the requirements of these buyers, and a multitude of other factors—such are the arguments which prove that mutual trade must be kept at a level which meets the needs of both countries.

Of course, it is necessary finally to resolve the issue of paying off the indebtedness of the former Soviet Union to Czechoslovakia, or, rather, the question of paying the corresponding share of the Russian Federation, just as it

is necessary to solve the problem of reimbursement for Czechoslovak deliveries made to the USSR in 1991.

Polish Envoy Promotes Trade Ties

934A0007B Moscow ROSSIYSKIYE VESTI in Russian
29 Sep 92 p 3

[Article by Minister Plenipotentiary Henrik Hmeljak, trade adviser of the Republic of Poland in Moscow on Russian-Polish economic relations: "Business People Are Looking for One Another. Our Task Is Not To Stand in Their Way"]

[Text] The condition of trade between Poland and Russia so far, frankly, leaves something to be desired. Our countries cannot seem to overcome the consequences of "hothouse" trade within the framework of CEMA. This, in my view, is the main reason for the trade imbalance. So far, efforts to leap into market relations, bypassing the transition period, are going nowhere. Settlements at world prices, and in hard currency at that, have immediately undermined the already weakened economic potentials of our republics.

It turned out that the "live" currency of Poland could be counted on only for raw materials, petroleum, and gas, which it needed most. And the industrial products of many Russian plants and factories were all in parentheses. In order somehow to make things better, both sides decided at the beginning of this year to sign a special intergovernmental agreement for economic cooperation. Within its framework, they earmarked a narrow list of goods that were mandatory for reciprocal deliveries. From the Russian side these included, of course, oil and natural gas, and from the Polish side—coke, sulfur, medications, and food.

Initially, in December, the protocol also included 2 million tonnes of Polish coal. But during the visit of Minister of Foreign Economic Relations of Russia P. Aven to Warsaw, to our surprise, we learned that it had "fallen" from this list and that Russia no longer planned to purchase it. How could that be, when it was at the insistence of the Russian side that coal had been included in the intergovernmental agreement! And in March the agreement was changed once again, and we did not find out until August that one of the points of the agreement was already invalid. For what reasons, on what basis? On the other hand, I cannot but take advantage of this occasion to express our gratitude to the Russian petroleum and gas workers, who managed when their branch was declining to provide for continuous deliveries to Poland.

Accounts for goods coming to us are kept in the form of currency clearing, although we have also signed a payment agreement which makes it possible to use national currencies for these purposes. But it is not clear how this is to be done. I wish to emphasize also that the mechanism of accounts comes completely from legislation within Russia, according to which enterprises may use for purchasing Polish goods only 40 percent of their

earnings from the sale of oil and gas. Without making any accusations, I do not understand where they got precisely that figure, and I am not at all sure that next month by an edict from President B. Yeltsin it will not be reduced, say, to 20 percent. Thus it turns out that mutual trade depends fully on the position of just one of the parties.

Incidentally, everything that has been said pertains exclusively to the sphere of interstate trade in strategic goods. Beyond this framework remains a powerful layer of direct economic relations established by enterprises without the intervention of state structures. Of course, in this sphere we have more problems and difficulties than achievements and resources. For it is not only the accounting methods that have changed; the very structure of trade has become different. The clear tendency is in the direction of signing small contracts, for sums of up to \$0.5 million, while previously they ran into the tens or even hundreds of millions.

Few would undertake to give the precise figure of our reciprocal commodity turnover today. The statistics are clearly lagging behind the demands of the time. But still, according to our calculations, during six months of this year, the overall commodity turnover in nonstrategic goods amounted to only \$606 million. Of these, \$306 million is the amount our exports to Russia and \$300 million—imports. Understandably, these indicators do not include trade on a barter basis (and this is approximately another one-third) or that part of Polish exports which are paid for by Russian enterprises from their accounts in other countries.

I would like to refer to several results of a questionnaire we circulated among representatives of 35 of the largest Polish firms in Moscow. And although this is only approximately one-third of our firms that are operating in Russia, their answers are fairly representative and on the whole adequately reflect the state of things that has developed. This mini-poll showed that as compared to an analogous period of last year, the turnover in just 10 firms has had a tendency toward growth; in four it remained at the previous level; and in 21 it is either proceeding toward reduction or has dropped sharply. I think these results reflect the entire spectrum of our economic relations. But the fact that negative responses predominate clearly shows that our trade and economic ties are far from optimal.

At the same time, we have many unused reserves. For our countries' economies have developed for so many years in close interaction! We are simply "destined" to cooperate, but without the political undercurrents and ideological babble. Russian citizens, incidentally, like their enterprises, have never had any serious complaints about the quality of our consumer goods, equipment, or batching items, without which, incidentally, things would be very hard for many Russian plants and factories. And on our market it would be quite possible to find a place not only for raw materials, but also for industrial goods from Russia. The same questionnaire showed that

Polish firms have bought from the Russian partners machines and equipment, products of the metallurgical and light industry, timber, and agricultural products. And this is at a time when the Polish market has not known a deficit for a long time and is not suffering from a shortage of goods.

But still I continue to be alarmed. Why is this painful period of transformation in our trade and economic relations being drawn out so unjustifiably long? Thinking about the causes of this phenomenon, I arrive at the following conclusions. In the first place, in my view, while there is a certain external similarity, the deep mechanisms for economic reforms differ significantly in our two countries. We take absolutely different approaches to the currency-financial policy. I must admit that I do not understand the game that is played at the trading sessions in the Moscow currency exchange. If only 20 percent of the currency revenues of the Russian enterprises are sold through it, is it right to speak of any exchange rate for the dollar?

And then we differ in principle in our approaches to the question of liberalization of foreign trade. The Polish experience has clearly demonstrated that the state only stands to gain from giving the enterprises absolute freedom to enter the foreign market. For without exports there are no imports, and without imports there is no competition on the domestic market. We have placed licensing requirements on only 10 specific kinds of goods (weapons, narcotics, etc.) and nothing terrible has happened. On the contrary, last year Poland's total exports increased by 25-30 percent, which gave the government additional currency for state needs. It would have been impossible to achieve this result by any administrative methods!

But in Russia, it seems to me, there is some kind of social illness named "fear of selling out the Homeland." And as long as it is kept alive, it is hardly possible to expect rapid changes in the area of foreign trade. Many people fear this in our country as well, but life rapidly put everything in its proper place, and it turned out that even if there were a desire, it was not so easy to sell out the homeland. And as a result, Russian producers have very little interest in exporting: After all, they have no especial trouble selling their goods on the domestic market. And herein lies the paradox that ultimately puts the brakes on our trade.

But the basic cause, of course, is the decline of production both in your country and in ours. This conditioned the sharp decline of mutual demand for one another's goods. Nor can one but pay attention to the circumstance that now any Polish firm can go to the bank and get currency for the goods it needs from abroad, in addition to which there is the poor quality of Russian products and the frequent violations of delivery deadlines by Russian partners. All this forces Polish enterprises to look for more reliable and committed suppliers in other countries. As a result—there is a decline of trade.

One could probably point out many other causes—both political and social—of the damper on our relations. But in spite of everything, business people seek one another out. Our task is not to stand in their way.

Problems in Russian-Indian Trade Reported

934A0007C Moscow TRUD in Russian 2 Oct 92 p 6

[Article by TRUD New Delhi correspondent Aleksandr Nikolayev: "There Has Been No Sugar for a Long Time. But the Tea Ran Out Just Recently. Notes on Our Trade With India"]

[Text] Purchases of tea have stopped, and contracts for 1992 deliveries of insulin, intravenous preparations, analgin, and certain other medications which we have traditionally received from India are no longer being signed.... This is only a small part of the evidence of a prolonged crisis in Russian-Indian trade, which was flourishing until quite recently. The bilateral protocol for 1992 envisions commodity turnover in the amount of \$2.2 billion. But trade has been practically nil during the first eight months.

Russia has failed to meet its commitments for deliveries to India specified by the protocol and has thus deprived itself of the possibility of utilizing technical credit for a total of \$285 million granted by the Indian side under extremely advantageous conditions. As a result, Indian firms that set up large productions oriented toward exports to Russia during the years of cooperation are sustaining great losses as well.

It seems that attempts to rectify the situation by drawing private Indian organizations and companies into the orbit of our trade and economic relations are not producing the desired effect so far.

One of the latest issues of the newspaper OBSERVER, BUSINESS AND POLITICS carried a report on two Russian organizations that never did make their debuts in India. Having acquired the right to sell 1 million tonnes of oil to India, the neo-entrepreneurs from Prodintorg and Uralinvest [expansions not given], the newspaper reports, judging from everything, did not have a clear enough idea of the specific features of the world oil market. The lack of experience in conducting negotiations, it is noted in the article, led to a situation where the representatives of these organizations in negotiations with the state Petroleum Corporation of India not only agreed to pay unprecedentedly high commissions to a middleman (more than \$10 million), but also agreed to sell at the regular price of Russian oil itself. Which is considerably lower than the average world price. But the transaction, thank God, did not take place. Literally at the last moment, the signing of the contract was halted by intervention by the Russian trade representative in New Delhi, who thought that it damaged our country's trade interests.

But on the whole, as a result of incompetent actions of our businessmen, according to the estimate of one of the experts of the Russian embassy, both sides were losers. All bilateral

Russian-Indian trade was dealt a serious blow. Having received the oil the country needs under fair and acceptable conditions, the Government of India, as was expected, could consider the question of freezing its technical credit to Russia. But now the question of financing continues to be open. Russian suppliers are not receiving money for oil. As before, our suppliers will also be forced to wait for their money—Indian firms that have already delivered us a batch of tea, leather uppers for the footwear industry, and certain other goods in advance.

However, as they think in New Delhi, one still should not give up hope; the main thing is to draw the correct conclusions from mistakes. In spite of the difficulties, business circles of India continue to consider Russia one of their most important trade and political partners, and are in favor of a joint search for ways of unblocking bilateral trade and creating new forms of cooperation. But how long can this search go on?

New Approach in Relations With Pakistan

934C0008A Moscow NEZAVISIMAYA GAZETA
in Russian 26 Sep 92 p 4

[Article by Vyacheslav Ovlev: "Russia and Pakistan—Undiscovered Opportunities; Moscow Has a Real Chance To Strengthen Its Position in the Asian Region"]

[Text] The fact that Russia is acting in the international arena as the successor of the USSR does not mean that it should copy and continue its foreign policy moves. A new approach is needed, in particular, toward Pakistan. Yet this country is simply absent from the vocabulary of Russian leaders, the president included. As a consequence, most likely, of the inertia of diplomatic thinking since it has traditionally been believed that the mere mention of it as our prospective partner in Asia would jar upon Delhi. In addition, Russian leaders have become frequent visitors to India, and Russian-Indian contacts in connection with arms supplies have become an object of international attention. But Russia's policy in respect to both India and Pakistan should not be a repetition of Moscow's former policy.

Let us look at Pakistan from the viewpoint of the prospects of Russian policy. From its very emergence in 1947 it was a religiously homogeneous country, and following the formation as a result of the third Indo-Pakistani war in 1971 of the state of Bangladesh, this homogeneity became almost total. But the role of Islam has not been invariable. A secularist ideology was predominant in the state for a long time. The situation began to change as of the latter half of the 1960's, and a decade later, under the military dictatorship of General Ziaul Haq, a wave of Islamization rolled over the country. The replacement of the dictatorship by parliamentary government did not shake the positions of the Islamic reformers. It may be argued how far Pakistan is currently from the ideal of an Islamic state, but the influence of the Islamic factor on its domestic and foreign policy cannot be denied.

This fact should attract Russia's particular attention. It is now dealing on its southern borders with newly formed states whose indigenous population confesses Islam and belongs to the descendants of people whose spiritual and social culture has been immersed in this religion for centuries. The question of relations with the Muslim world is virtually central for Russia. Not only because of the dangers that could arise as a consequence of the problem of the Russian-speaking population in Central Asia, Kazakhstan, and Azerbaijan. It is a question of the fate of a powerful Eurasian state whose center of gravity should, it would seem, in order to maintain balance, be shifting eastward.

Pakistan is of quite great significance in this connection. Changes in Russia's approach to it would undoubtedly be greeted there with understanding and a readiness for reciprocal steps. It should be considered, for that matter, that the main interest and increased attention now are being evoked in Pakistan by the former Soviet republics of Central Asia. The reason for this are both the ethnic ties of whole groups of Pakistanis to this region and the affinity of culture, traditions, and religious ideas and also economic and political calculations. The country's business world and government for several years now have been discussing plans for the creation of a single trade and economic zone encompassing Pakistan, Iran, Afghanistan, and Central Asia. Even broader (Turkey and Azerbaijan are added) is the circle not of presumptive but actual subscribers to bilateral and multilateral agreements which have been concluded and which are planned within the framework of the Economic Cooperation Organization. But the time of exclusive regional organizations has passed; in any event, it is not pertinent for the Central Asia region with its absence of "natural" political borders. It is not fortuitous that states of the region are with the Economic Cooperation Organization joining other supra-state structures—the CIS and the CSCE and the Black Sea Organization. The formation of an alliance of Caspian states is planned also. Russia's involvement in all the above-mentioned agreements only emphasizes the intermediary role between it and Pakistan since they are on the extreme flanks of the system formed by the rings of the regional communities superimposed on one another.

It is important to strengthen this link both from the political and the economic standpoints. Pakistan has an outlet to the Arabian Sea and the Indian Ocean. Its port cities, primarily the biggest—Karachi—could be a door opening onto three sides: westward—to the Persian Gulf and Red Sea region, eastward—to India and other countries of South Asia and to Southeast Asia, Oceania, and Australia, and southward—to East and Southern Africa. Were Russia and Pakistan to be linked by an auto expressway, the delivery of Russian freight to this country could be accelerated appreciably (it is now delivered circuitously across four seas), and it could be used for transit in the opposite direction. Pakistan has always been distinguished by meticulousness in the fulfillment of debt obligations and paid right on schedule for the USSR Government credit formerly granted for the purpose of the installation of a major foundry and other industrial facilities.

Despite the difficult situation that has taken shape in relations of Russia and Afghanistan, its cooperation with Pakistan, which enjoys great influence there, would open the way for the emergence from numerous impasses. And the road would, incidentally, if built, cross Afghan territory, which would make it possible to boost Afghanistan's economy and pay off some of its claims.

The role that the creation of a large land bridge between North and South Asia would perform in strengthening the contacts of the new Russia and Central Asia cannot be exaggerated. The Central Asia region would be at the crossroads of trade and transport routes. The roads, which would intersect it along the meridian, would be connected with arteries of a latitudinal direction. Siberia and the Far East, China and Mongolia would be affiliated with the single system. Meridional-latitudinal Asian

trade would also be of considerable significance for the European part of Russia and Europe.

Considering the prospects which have been outlined, the present phase of relations between Russia and Pakistan should be considered embryonic. No one has as yet embarked in earnest on "cranking up" the possibilities in this sphere. Certain attempts have been made on the Pakistani side, to which, for example, the arrival of a large group of government and public figures at the end of last year testified. Our side responded with a scientific symposium organized by the Society of Friends of Pakistan and the Russian Center for Strategic and International Studies. But things have not progressed beyond a testing of the waters. A pity. We should step up relations along government and public lines, develop the question of overland trade in detail, and check out the practical value of the ideas and proposals that have been expressed in this connection.

POLITICAL AFFAIRS

Plyushch on Disagreements With Kravchuk

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29 Sep pp 1-2

[Interview with Ukraine Supreme Soviet Chairman Ivan Plyushch by GOLOS UKRAINY correspondent Vladimir Skachko; place and date not given: "Ivan Plyushch: 'The Supreme Soviet Should Create Laws, Carry Out Parliamentary Oversight, and Decide Matters of State Structure'"]

[Text] The sixth session of the Ukraine Supreme Soviet is about to open. The situation in the republic is such, however, that even not very informed citizens can see that something is wrong not just in everyday life but in the higher echelons of power as well. What is happening today in Pechora Hills? Ukrainian Supreme Soviet Chairman Ivan Plyushch agreed to discuss this with a GOLOS UKRAINY correspondent.

[Skachko] People see today that the relationship between the legislative and the executive branches is more acrimonious. We learned that on 23 September you had a conversation on this topic with President L. Kravchuk. Can you tell us how you see the situation within the power structures?

[Plyushch] You know, this issue is indeed very complex and is today becoming the centerpiece of our entire political life. Stability in our society, and subsequently the course of economic reforms and stabilization in all spheres of our life, depend on how we resolve it—and I am not saying how we will resolve it, because it is impossible to resolve it in one step.

I would appraise what has happened this way: There is nothing terrible about it, but we were bound to end up with such a situation... I would not call the phenomenon itself entirely objective, but the process itself is indeed objective, while we, as subjects, have influenced it in a less than beneficial way. Why? I did not have substantial experience in the organizational development of a democratic state, along the democratic tracks. When I visited the United States a year and a half ago we were still received at the time as a delegation of a constituent republic of the USSR, people who had come to see how Americans live and work, what the Ukrainian diaspora was doing, and what the mood was there. The program prepared for our visit did not include issues of state organizational development, system, and administration, or the interaction between the federal and administrative bodies of the states. The topic of conversation was one and the same: What will happen to Ukraine, where it will be—within the Union or not—and so on.

Since that visit I had an opportunity to visit the European Parliament, the young democracy in Romania, and the older one in Turkey, where I was invited for the celebration of the 72nd anniversary of its parliament—

the Grand National Assembly. I was not so much surprised as excited that in Turkey, where a market economy "took off" in a matter of 10 years and where it was already possible to make a distinction between the country before the 1980's and the free-market country, an immense role in all these transformations belongs to the parliament—a unicameral body, by the way—and its committees and commissions. I was present at many committees, which virtually were in opposition to one another since they often reflected the interests of different political parties. But over there both the parties and their leaders, while defending their party programs, do not encroach on the committees' right to independence. This is the democracy and the multiparty system we are talking about. Unfortunately, we do not have it, although we maintain that there are 15 parties in Ukraine. So what?! Even in the Supreme Soviet one can only see the first shoots of this multiparty system.

When I visited the United States for the second time, our delegation was exposed to the basic principles, forms, methods, social system, and interaction between the legislative and executive branch in that country—not only at the level of the President and the Congress but also at the state level. When we saw all of this and compared it with what is happening here in connection with putting into effect the law on presidential representatives, we took note that these are completely different things. The 41st U.S. President, President Bush, cannot even appoint a deputy minister without notifying the appropriate Senate committee. Our Supreme Soviet, on the other hand, has delegated everything to the president, with the exception of the appointment of eight ministers and heads of agencies. We even have delegated to the president the right to create and reorganize state structures, which according to the Constitution should be the exclusive right of the Supreme Soviet. Therefore, today, having studied that experience and having compared our reality with the current Ukrainian Constitution, we see a legal nonsense. Article 97 in Chapter 12 of the Constitution clearly establishes the exclusive rights of the Supreme Soviet: "Among the exclusive powers of the Supreme Soviet is the power to make decisions on the government structure of Ukraine." This constitutional norm is supplemented by another clause in this article, which envisages that the exclusive powers of the Supreme Soviet include "establishing the procedures for the organization and activities of the bodies of state executive power, local self-rule, and the judiciary..." By the way, according to the Constitution the structure and powers of the government also are to be defined by the Supreme Soviet, since it is its prerogative to approve the law on Ukraine's Cabinet of Ministers.

However, in the process of adding to the Constitution the chapter on the president we introduced a point whereby the president, in order to ensure compliance with the Constitution and the laws of Ukraine, creates, reorganizes, and liquidates ministries, agencies, and other bodies of state executive power within the limits of the budget approved by the Supreme Soviet, and

appoints and removes the heads of these bodies. The result was a "gap": Nobody has abolished Article 97 of the Constitution, while all the aforementioned points have appeared in the chapter on the president. Therefore, it is hard now to separate these powers, since it turns out that a number of exclusive prerogatives of the parliament now fall under the president's jurisdiction. If these issues could be resolved, shall we say, peacefully, with consensus and understanding, we could have managed this way. Since it became practice, however, for the president to do everything, even create some obscure state дума, and then vest it with some undefined powers, we have reached a puzzling outcome. The state дума gathered for a session and in the president's presence prepared on 11 September of this year a draft resolution, the title page of which reads "State Duma of Ukraine." But who created this state дума? If this is a дума under the president, let it be under him, but then, first, we have to remove the word "State," and second, we have to take out the words "of Ukraine." A дума under the president is not a Duma of Ukraine, and presidential advisers are advisers to the president, not Ukrainian state advisers.

And what is the title of this resolution—"On the Interaction and Separation of Powers Between the Organs of Legislative and Executive Power"! And the president sat there and made comments on it! What is written in this title is the exclusive right of the Supreme Soviet, and the way it comes out is that the state дума usurps this right. This, I repeat, is nonsense, which is altogether difficult to explain. I was just referring to the Constitution, but it is we in the Supreme Soviet who did not reconcile the articles. What does this дума resolution mean? Only that an unconstitutional дума, I repeat, unconstitutional, has gone beyond all legal norms. And just read what is written in this resolution: The separation of the powers of the branches may be done "through independent preparation of draft laws by the organs of legislative and executive powers."

That is, both branches prepare legislative acts independently. Further on: "to discontinue the practice of commissioning the preparation of draft laws, which the Supreme Soviet places upon the Cabinet of Ministers." Not the Presidium, mind you—the Supreme Soviet! So it comes out that the Supreme Soviet cannot assign a task. Do you see what these "statesmen" in the дума have cooked up? They are already regulating the relations between the Supreme Soviet and the government!

I want you to understand me correctly, I have said and still say: The fact that Leonid Kravchuk was elected chairman of the Supreme Soviet and then president of Ukraine was the best that could happen both for the Supreme Soviet and for Ukraine. I voted for this and advocated it.

I would not want you to interpret this to mean that Plyushch and Kravchuk allegedly are in confrontation. This is not a confrontation—this is a matter of principle in our relations, since there are some in the presidential

structures who want to see only one function of the Supreme Soviet—the legislative—and trumpet it all over the world. They have forgotten, however, about the parliament's two other functions—parliamentary oversight, which nobody has ever withdrawn from it, and institutional creation. That is, matters related to state structure fall under the exclusive jurisdiction of the Supreme Soviet. This is the answer to your question.

[Skachko] What is your forecast regarding the relationship between the Supreme Soviet and the government, which is planning to present for the deputies' consideration a plan for the intensification of economic reforms? The opposition called this document a "plan for deepening the abyss." Neither is the state дума in agreement with the government plan.

[Plyushch] Had this дума belonged with someone other than the president it could discuss it, issue advice, and whoever it would have advised could speak on its behalf. We, however, have a presidential дума, and all it does is criticize. Had it been responsible for at least something, it would have offered an alternative plan; as it stands, it simply rejects the plan, and that is it.

I am expressing my personal opinion. This plan of government action should not be brought for the Supreme Soviet's consideration at all. The discussion on it is not binding. The Supreme Soviet may only treat it as an "information" item. Is this the best form—"for your information"?

I can understand it when the Supreme Soviet approved the Basic Principles of the National Economic Policy of Ukraine. It says clearly: "Ukraine should build an independent economy and the core of this economy should be a change in production relations after radical economic reforms." Nothing else is needed. How all of this should be done should be regulated by laws, as well as by normative acts issued by the president and the Cabinet of Ministers. The Supreme Soviet has adopted the laws; if new ones are needed, submit proposals, but if something is missing for the implementation of economic reform, the president can do it himself. The Ukrainian Constitution envisages that until the new Ukrainian Constitution is adopted the president issues decrees with respect to matters pertaining to economic reform that are not regulated by law, with their subsequent approval by the Supreme Soviet. In 10 months the Supreme Soviet has not approved any such decrees. None have been submitted, actually.

[Skachko] Many specialists and politicians who have seen this government plan maintain that by bringing this document for the consideration of the Supreme Soviet session the government wants to "bind" the Supreme Soviet to its implementation, to hide behind the deputies' backs. What do you think of this?

[Plyushch] As to the deputies' backs—I have quoted you the constitutional article: It only confirms what you have just asked. If they did not want to hide behind their backs, they would not have submitted this plan to the

session but would have adopted an appropriate decree or proposed a draft law. It is unclear whose document is being presented to the session. If it is a government document, let the government carry it out; let it do what it has planned.

Of course, it would be good to inform the Supreme Soviet with respect to the plan. But that is all. The approach that is being planned, however, underlines once again the executive branch's desire to shift the responsibility for the implementation of developed laws to the Supreme Soviet.

[Skachko] If the Supreme Soviet sees, however, that the government plan contains violations of the requirements of the laws that regulate the transition of the Ukrainian economy to a market, will it still discuss it? Will it approve it?

[Plyushch] First, I would not qualify this plan as a violation of the laws governing the transition to a market. We have to look in more detail at each point of the document, and if there are indeed violations they will be rejected as unlawful.

There is another side to this matter, though. There are some who want not only to bind the Supreme Soviet to this plan but also to use the plan to complete what has already been accomplished. Right now all the pickets of discontented people go to the Supreme Soviet, while the government is only present on banners calling for its resignation and in conversations: the Supreme Soviet, the talk goes, is such-and-such; along with Plyushch, it refuses to get the government to resign. I do indeed have a certain responsibility for the government, and the criticism addressed to me is to a certain extent fair. I did support the government, but for one reason and only one: One needs time to reach conclusions.

Right now, however, I ask myself: If I continue to maintain the same attitude, will it do more harm than good for the cause? I have come to the conclusion that it will do more harm; hence, I do not have the right to maintain the same position. I told this to the president. Next I will present the reasoning behind my opinion to the presidium, and then at the Supreme Soviet session.

We need complete clarity. There are strikes being planned for 19 October: the strike committees' demands are 90 percent political: to replace the government and dissolve the Supreme Soviet. We have been put in the same boat as the government. Everyone should recognize, however, that this is a constitutional crisis, because who, other than the Supreme Soviet, will pass the law on new elections? Are we going to hold them by presidential decree? The Supreme Soviet is responsible for the adopted legislative acts, the government—for the implementation of the laws. Although we do have to acknowledge that not all the laws we have passed are perfect and that much time has been lost. We also have to admit our mistake in trusting the government for too long. We believed that these people would do something. Therefore, the Supreme Soviet made a decision to hear the

president's report on the implementation of the Supreme Soviet resolutions of 7 February and 7 July of this year, which contained specific requests to the president with respect to changes in the government. There is nothing else the Supreme Soviet can do other than evaluate this in an appropriate way. This is exactly what it is doing.

[Skachko] If the government resigns, does the Supreme Soviet have candidates for the new composition? Has this been coordinated with anybody?

[Plyushch] Here we come back to the question who is supposed to form a new government. The president says that according to the Constitution he does not have the right to dismiss the entire government, and only the Supreme Soviet can do this. I think he should do it; how it will come out I do not know. I will tell you frankly: So far I have not held any consultations on candidates for the new government, because there has not been a final decision on this matter. Especially considering that according to the current Constitution and the Law on the President these candidates should be named by the president.

[Skachko] Ukraine's political and state structure is gradually changing: The republic is changing from purely parliamentary to parliamentary-presidential; in the future, it will become purely presidential rule. In your opinion, what should be written in the new Constitution in this respect?

[Plyushch] I will refer to the U.S. Constitution, which is 200 years old and which is praised all over the world, and tell you that there is no single document in Ukraine today that says that we have a presidential republic. Only the Concept of the new Ukrainian Constitution says that Ukraine should be a presidential republic. This concept was written by many different specialists, but it seems to me that at the time it was done under the influence of the fact that the post of president was being introduced in Ukraine and there was no clear understanding of what presidential rule meant. There is no presidential republic in its pure form anywhere in the world today, although they say that something of this kind exists in Costa Rica. I will tell you one thing: The form of soviets in some or other shape, under some or other name, has proven itself in all democratic countries. Because representative organs are a form of soviet, and we should not be afraid of the word "soviet." It is just that we never had real soviets. Therefore we should perhaps now return to the slogan "all power to the soviets!"

I categorically do not share the president's opinion that the new Constitution should be adopted by the people. This would be a direct violation of the existing Constitution, where it says in the same Article 97 that "among the exclusive powers of the Supreme Soviet of Ukraine is adopting the Ukrainian Constitution and making changes to it." In the former case, it would be necessary to change the existing Constitution and put into it a clause on adopting the new Basic Law by the entire

people. And even if this happens and the new Constitution is indeed adopted by the people through referendum, then all changes to it, even small ones, will have to be done the same way. This is difficult even to imagine.

[Skachko] Who should then adopt the new Ukrainian Constitution—this parliament or the new one?

[Plyushch] From the first day of my chairmanship to this day I have not changed my opinion regarding the fate and the term for which the powers are vested in this Supreme Soviet. I do not share the opinion that the current parliament must serve a full five years. It does not owe anything to anybody. The very form—"must"—is incorrect, because this Supreme Soviet should work for as long as within its term of vested powers it is of benefit to its voters. This Supreme Soviet must finish putting together a package of laws on economic reforms. We have adopted almost all such laws; they already work for those who truly want to use them and do indeed use them.

That is one point.

Second, I have always said that our task is to develop the draft of a new Constitution and, if possible, adopt it. Without it we will not be able to arrive at a new election law. So that we would know whom to elect and where—after all, nobody knows what kind of body the Supreme Soviet will be: unicameral or bicameral. It would be desirable to adopt the Constitution as soon as possible; I did consult, however, with many specialists as to whether we should adopt a new final constitution or perhaps a constitution for the transitional period. We have not reached a unanimous opinion, but the majority is inclined to believe that a transitional constitution is not needed. Because nothing is more permanent than a temporary solution.

Therefore I believe that the Supreme Soviet, after a national debate on the draft of the new Constitution, must make a decision on this, then work out a new law on elections, adopt a resolution on new elections, and disband. How much time all of this will take is hard to tell, but nobody except us will do this work.

[Skachko] You probably know, though, that collection of signatures on a petition to suspend the powers of the Supreme Soviet is underway.

[Plyushch] Not only do I know, I will tell you that I am not particularly concerned about it. I am concerned that resources and efforts are being expended while the action itself is not going to bring about anything good.

As to the political action itself—collecting signatures calling for a referendum—I do not reject it as such, since there are different forms of putting pressure on the authorities.

Dzyuba Counsels Gradualism, Moderation

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[Article: "Ukraine on the Road of Nation-Building—Supplementary Report by Ivan Dzyuba"]

[Text] Long-awaited society, highly respected ladies and gentlemen, dear guests from all continents of the globe; all who have been able to get to this hall and all whose thoughts are with us here!

First of all we congratulate one another on the great, solemn and historic event whose co-participants we are.

Decades and centuries, not just years, have passed before it. Behind it lies both tragic and heroic pages in the history of our people, fated to a dispersal comparable to the biblical.

The historical existence of the Ukrainian people took shape in such a way that not only was its ethnic territory broken up and divided, but a significant portion of its physically productive, political, intellectual and cultural potential was also displaced beyond the borders of the ethnic territory overall. Dispersal around the world was transformed into a permanent process, a noticeable constituent element of which was political emigration as a phenomenon that testified, on the one hand, to the national oppression in Ukraine and the political terror of an alien power and, on the other, the ability of Ukrainians to fight for their freedom—from the dramatic conditions of exile as well.

Today signifies the end of one era in our history, when Ukrainians were separated not only by borders but by mutual ignorance and suspicions that inspired enmity, and the beginning of another, when we can not only be associated with and get to know one another, but at the same time formulate our political, life and cultural references and work together to create a new image for Ukraine.

Strictly speaking, that is now not just a possibility, but an indispensable necessity facing the young Ukrainian state.

And here it must be emphasized that this state itself arose as the result of the efforts of many generations of Ukrainians around the world. With all their dispersal, mutual ignorance and sometime hostility, their energy in the most diverse and often paradoxical ways was directed toward national survival—either the awakening of Ukraine itself or maintaining the fire of the Ukrainian idea.

They sometimes say that independent Ukraine arose in August 1991, surprisingly easily and thanks to a lucky combination of events; it was decisively facilitated, they say, by the failed putsch in Moscow. This is a superficial view of the form rather than the substance of the historical process, not even a process but one element of it.

Before independence Ukraine traveled a long, hard and sacrificial road that cost it dearly. At the foundation of Ukrainian statehood is also a century of fighting by our ancestors, in whom the idea of independence had crystallized; the titanic work, symbolized first and foremost in the names of Shevchenko and Frank, of the great enlighteners and sculptors of the popular movement, figures of culture and science, who created the humanistic potential of the nation; and, I would say, the collective spirit itself of the Ukrainian people, which stubbornly resisted depersonalization and preserved the most valuable quality of its originality, being at the same time an opening to the world.

Behind the independence of Ukraine are also three years of national revolution and the dramatic self-defense of the UNR, ten years of national-culture building of the times of "Ukrainization" and the political, cultural and nation-organizing activity of Ukrainians in Galicia between the wars, as well as the multilateral activity of emigrants between the wars; the universal opposition to the Hitlerite invasion, and the heroic fighting of the UPA; the incredibly hard work of the people in postwar reconstruction, and then in the industrial birth-pangs created in Ukraine at the time; in the many-sided efforts of Ukrainian emigrants in the free world for the sake of preserving the political ideal of independence, the preservation of national identity and the support of the spirit of study and creativity; the national-cultural work of Ukrainians in Poland, Czechoslovakia, Yugoslavia and Romania; and, the embers of the vestiges of Ukrainian life in the boundless spaces of the former republics of the former Union—embers that are flaring today.

Ukraine was developing under distorted socio-political conditions that were forced upon it, and its undestroyed will to live was not always manifested in suitable forms and conscious acts. We are indebted for independence not only to those who consciously dedicated their life to that idea, but also to those who, perhaps having no concept of it, objectively worked for Ukraine, ensuring the uninterrupted nature of national existence: growing grains, extracting coal, building housing, creating music, giving rise to new scientific ideas. And we are most indebted to those Ukrainian mothers who, after every misfortune, found the strength to bring up their children with the good customs, and transmitted to them humanity and native speech.

Independence is to the credit not only of the first defined political forces and movements, it is to the credit of the whole people, many generations of them.

It also will not do for us today to calculate who more or less tipped the scales of Ukrainian fate—that is for history to do, if it will be needed; it will not do for any political forces to boast and exaggerate their role, or make any claims to a monopoly.

The more so as today we need to think about quite something else

But we welcome the first anniversary of state independence for Ukraine in circumstances that are not quite conducive to carefree celebration. Joy is obscured by bitterness, anxiety and pain.

The achievements are undoubted: broad international recognition; a series of political and economic agreements with neighboring and distant states, which defines our place in the world community and aids in achieving political and economic independence; the designing of a state structure; and, finally, our main achievement—the preservation of interethnic tranquillity under difficult conditions, thanks to which Ukraine has remained one of the few peaceful zones not only in the CIS, but in the whole half-mad world...

The overall picture of the changes, however, has not proved to be as expected.

Instead of the improvement of life, we have catastrophic deterioration.

Instead of the organization of effective administration at all levels, we have its further disorganization and a decline in competence.

Instead of a revival of the financial system, we have financial chaos and the absolute discrediting of the national ersatz-currency.

Instead of the stimulation of national culture, we have a paralysis of its institutions, deprived of sources of financing; the catastrophe of the Ukrainian press; the tragedy of Ukrainian book publishing; the start of mass loss and flight of artistic and scientific cadres from Ukraine.

Will the government workers of independent Ukraine finally be able to do what all of the preceding regimes were not able to do—achieve a national culture?

Or is today's independent Ukraine fated to finally and forever bury the idea of Ukrainian statehood?

The discrediting of that idea is underway at full tilt and in all possible directions, in any case.

I personally am very far from counting this only against the government or the higher individuals of the state. I think that we are all to blame. And perhaps most of all those who only think of how to shift the blame to others, devoting considerable energy to this pursuit, comforting to oneself but sad for society.

It is a comprehensible thing: the hopes for quick improvement of affairs in independent Ukraine after years of destruction were illusory, and had no objective underpinnings or chances for accomplishment. Or was such a sharp deterioration of the condition of the people inevitable, and did there have to be such a profound social and psychological trauma as were experienced by Ukraine?

I do not know if anyone among us has a clear and unequivocal answer to these or those questions, and if the answers that anyone thinks they have will not be terribly simplistic. I am just suggesting that we think and talk over together some of the aspects of our situation today, and some possible prospects.

I want to direct attention to the fact that the crisis phenomena that we have encountered are not specifically or only Ukrainian. All of the countries of the former USSR and all of the former socialist countries of Eastern and Central Europe are experiencing them, including those that were less deformed by "real socialism" and had gotten onto the path of political and economic reform sooner. We are therefore dealing with the typical general laws of a process that is occurring in the historical interval between the dismantling of the totalitarian command-administrative system and the construction of democracy and the market system—general laws that have not yet been sufficiently analyzed by economists and sociologists.

This fact of the international nature of the crisis illuminates the whole superficial and arbitrary nature of it aside from purely Ukrainian factors, and the more so somebody's bad will.

There is naturally bad will, and the indifference of old structures, and sabotage, and the intrigues of the mafias. But we will not absolutize these factors. We will not become like the Bolsheviks, who blamed saboteurs and enemies of the people for every disorder in their system. Sabotage and criminality are not factors that arise in and of themselves, they arise from the inefficiency of the economy and the administrative structure, and not the other way around.

The losses in economic policy are obvious. The so-called release of prices under conditions of state, departmental and criminal monopoly turns into totalitarian robbery of the people and not only does not stimulate production, but on the contrary paralyzes whole sectors of it. The cannibalistic method of obtaining profits not through intensifying production but through increasing prices leads in reality to a drop in profits and to bankruptcy. We have an imitation of market behavior or its forced imposition—with the absence of a market economy—and that looks like a tragic farce.

Economic policy is being implemented through the method of trial and error, and is zigzag in nature. One can note three turns in it over this year alone: the policy of competing with the Russian reforms; the solemn proclamation of a new economic doctrine, with the rejection of an imitation of Russia and the promise of a way out of the ruble zone and the formulation of national economic priorities; and, finally, the quiet revision of that doctrine in literally two or three months, and a return to economic eclecticism and pragmatic half-measures.

What is this: evidence of the lack of confidence of the leadership, the absence of the will power and endurance

necessary to carry matters to distant results, or the unforeseen and inconceivable complexity of the problems? Or, perhaps, the one, the other and the third?

In any case, it must be admitted, there is disagreement among more than Ukrainian economists and government officials alone, and even the most experienced and prestigious foreign economic and financial experts are giving contradictory evaluations and advice.

Economic policy under our specific conditions is not simply connected with social policy, but is forced to be a part of it. Economic reforms are possible only in a quality and at the pace at which they do not cause a social explosion—that is, room for maneuvering is limited. The Ukrainian situation is far more complicated than the Russian. I do not have in mind only the fact that, despite the extensive patriotic ideas here, Russia is incomparably richer in resources. I have something else in mind as well—Russia, however the crisis may develop there, will never reach the loss of statehood, but only the replacement of the forms of that statehood. In Ukraine the question consists in and of itself of either affirming its own statehood or losing it. The responsibility of politicians here is thus incomparably greater, and they need to have not only determination but also consideration and caution, especially if one does not forget that the motivation of the choice in favor of independence had a socio-economic, and not just a national-political, coloration for a considerable portion of the population of Ukraine.

International funds can advise Ukraine to reduce social expenditures by half (from 41 to 20 percent of the GDP—gross domestic product), sharply reduce appropriations for education and culture, repeal laws on the minimum wage, resort where necessary to mass dismissals and other "draconian measures," as this was self-critically classified in one of the expert documents—but the Ukrainian government officials have to narrow down how such steps will turn out in a real situation, not in theoretical modeling.

Economic reforms cannot be carried out without complications and self-limitations. That is natural to all. But discussions on the inevitability of sacrifices are unfortunately becoming a cover for shifting the entire burden of reforms onto the working segments. Social differentiation and social contrasts are deepening with alarming speed.

It would still be a minor misfortune if what is being raked out of the emptying pockets of the patient citizenry went to the profit of the state, for its measures, but that is threatened mainly in the departmental and criminal structures.

The legitimate aspirations of workers for self-protection, for organized actions that would put up a barrier both to the whims of the state administration and departments and to the robbery of the commercial and other criminals, are becoming urgent under these conditions. But our misfortune, which could become fatal, is the fact that

the democratic forces have created neither theoretical concepts nor durable organizational structures that would meet the need to protect the concrete social interests of the workers and, at the same time, would coordinate that protection with the process of democratic nation-building. The opponents of independent, democratic Ukraine, the champions of a system that for 70 years implemented the cruelest exploitation of a people in the world and brought society to the state it is in today, are instead trying to take on—and not without success—the role of the defenders of working people. They are cynically dressing themselves in the clothing of defenders of democracy and human rights—those who as recently as yesterday ran people into prison for the very mention of human rights...

But on the whole this is the natural logic of the political fight, and if the national-democratic forces themselves are not effective defenders of social and civil rights, that key political role will be passed on one way or another to communist revanchists.

Personnel policy is directly linked with economic and social policy. That is probably a most painful subject of political debates and battles, as it concerns real power and, thus, the fate of Ukraine. There is a great deal of dissatisfaction and indignation here, as well as complaints to the President in connection with personal appointments to the structure of presidential representatives at all levels. (I would like to say in parentheses that the institution of representatives of the President itself is not very well coordinated in principle with the development of democratic self-government, and could be perceived as just temporarily forced—to consolidate executive discipline during a period of chaos.) The principal motive of the desperate criticism on the part of the democrats is the dominance at all levels of the old partocracy, which is everywhere, especially in the provinces, and remains a unified and real power.

This really could become a great danger for the future Ukraine. The situation is not that unequivocal, however, and it has other dimensions that we are for the greater part not taking into account.

First of all, the dismantling of personnel structures on such a scale and their fundamental replacement is simply physically impossible over one or several years—no one has been able to achieve it in history, even by means of bloody revolutions; recall that even the Bolsheviks, who drove out the old state apparatus in 1917, were forced to go back to it hat in hand in the very first months.

Second, there are many people in the personnel structures that were inherited who have evolved in their inclinations along with the whole society, and who are ready to serve independent Ukraine conscientiously.

Third, a democratic state forms its apparatus not according to political traits, but practical and professional ones. By the way, the experience of the national-democratic forces in power in the western oblasts of

Ukraine has shown that even there they do not have a sufficient number of their own personnel.

Finally, and maybe the main one. The President of any country, although not free of his own sympathies and antipathies, is nonetheless forced to rely on those political groups, public movements and administrative structures that have influence in society, and with the aid of which it is possible to resolve the issue of building the state and balancing the play of political forces. Let us direct our attention to the constant balancing of Yeltsin. It cannot be ruled out that an accelerated, total attack on the old apparatus under our Ukrainian conditions could lead not only to a personnel drain, but also to a sharpening of political confrontation, stimulating the creation of a powerful anti-independence front. And that must be considered.

And so the democrats will not be helped by moral lamentations. Success lies in one thing—increasing their real influence in society, exerting political pressure at all levels and forming their own professional, competitive corps of claimants to government and administrative posts.

The main reason for the lack of success of the democrats is their own weakness; it is not just their own fault, but more a consequence of the political immaturity of society. Despite the current ideas about the excessive politicization of the population, sociological research reveals that most of the population either has no interest at all in political life or has a very rough idea of it, and that only less than a third of them are involved to any extent in the whole spectrum of institutions of civic society (from political parties to sports organizations). A very low value. The weakness of the political parties and the lack of development of the institutions of civic society could become a dangerous reserve of instability.

The democrat becomes an unpopular figure here and there against a background of the negative socio-economic processes that are frequently linked in the mass consciousness, in paradoxical fashion, with the activity of the new political forces. There is no confidence under these conditions that the election of the Supreme Soviet ahead of schedule, appeals for which are growing stronger, will have very comforting results. The democratic parties will have to make their own activity decisively more energetic each time, expand it beyond the bounds of the intelligentsia and the politicized portion of city residents and seek ties with broad segments of the population, first of all with the workers and the peasants, which are becoming the principal mass of the voters. And that is impossible without the detailed development of socio-economic programs, which in most of the parties and movements are close to rhetorical promises, and for that reason not worthy of trust. It is easy to understand, by the way, that the numerous statements, declarations and demarches of the democratic and not so very democratic parties almost all concern current political events, and very rarely questions of socio-economic strategy.

Perhaps the most important task for the near future—as a general idea—remains the creation of a Government of National Consent or National Trust, as a means of getting out of the political crisis and making economic policy more active.

The resolution of that issue is complicated by the endless schisms among the democratic and opposition forces. The generally chaotic political differentiation in society, which has just thrown off the fetters of forced unity, is a natural phenomenon and is observed in all post-communist and unstable societies. But amazing, first of all, are the lack of conformity and kaleidoscopic superficial political life of society and the tacitly opaque amorphousness of the depths of that society; and, second, the lack of rational motivations for the schisms and discord, and the absolute preference for ideologization and emotional personification over conceptuality.

That could be understood if the small ultraright groups, each of which declares all others and each other no less than traitors to Ukraine, quarreling, so to speak, without the knowledge of the Ukrainian people, which does not deal with them. But it is worse if they cannot find common language with the people who created and developed Rukh and the Congress of National-Democratic Forces. One could doubt that there are great grounds for such a confrontation. Assessing the situation today, both Rukh and the political parties of the Congress are very close, even if Rukh expresses it more sharply. There is actually a great deal in common in the basic program demands of Rukh and the Congress. Finally, time will show how well-motivated and profound their differences are. If there is something more behind them than the emotions and psychology of the leaders, if the declaration of disagreements will be reinforced by conceptual elaborations, it could even work to the advantage of Ukrainian democracy, enriching the view of social problems, expanding the variations of solutions and stimulating the competition of political forces.

But I would like to share two thoughts. It is understandable to all that today's Ukrainian state is far from the one that we want, that is, it is not in the shape that we would like. But we do not have anything else. It depends on all of us to make it better; on the political forces to strengthen it with those institutions and attributes that are lacking, and bring to an end the process of making us safe from attempts to revive the imperial Union.

But we hear—and not only in the everyday life from the disappointments of citizens, and even some opposition politicians—that the Ukrainian state still is not, or that we have a parody of, a state. It would be good if behind that stance is a knowledge of the methods of creating a "real" Ukrainian state and the corresponding active energy. It is worse if behind it lies a desire to link nation-building with one's own name, to start Ukraine from oneself. And it is still worse if a person does not admit of another Ukraine than the one that he wants. For those people, better in general if there were no

Ukraine than have it not be such as is conceived. Vyacheslav Lypynskyy spoke of this a long time ago, that their slogan is "Smash everyone in Ukraine who is not like us." Such people have already destroyed the **real** Ukraine more than once, and can do it again.

And another thing. One hears more and more often not very correct, and sometimes even simply gross, reproaches directed toward those political figures who have evolved from confrontation with the former supreme powers to constructive participation in the structures of democratic Ukraine that have been created today, with the preservation of their own positions. It is not only political outsiders who are accusing them of this. And they do not want to accept the simple explanation that practical participation in state structures, putting politics before the whole complexity of state problems, equalizes and rationalizes their position thereby, at the same time providing an opportunity to bring it to life.

And, perhaps, it is namely on the basis of active practical participation in nation-building that it is possible for the various political forces to come to a mutual understanding.

The desired consolidation, in my opinion, must in general be sought namely at the level of practical nation-building activity in the broadest sense of the word, activity subordinate to general national ideas—and not at the level of ideology, where absolute unity is not only not possible, but not needed as well.

The dreams, popular today, of an ideologically cemented Ukraine seem to me an alarming phenomenon. They can be understood—they are a reaction to the ideological vacuum in which a considerable portion of our society lives today. Because of that we hear discussions of the necessity of a state ideology; some people are proposing the ideology of Ukrainian nationalism for that role.

But history testifies that any state—compulsory—ideology inevitably leads to ideological coercion, or even political terror against one's own citizens, to totalitarianism.

As for the ideology of nationalism, the question could be asked once again: just which among the many concepts of nationalism is believed to be the correct one? But even the most modernized of these concepts corresponds more to the conditions of national-liberation struggles than the conditions of building a nation, especially in a society with a multi-ethnic composition of the population, in a society which wants to live by the principles of democracy. In independent Ukraine—with its broad spectrum of regional-political and regional-cultural diversity, religious heterogeneity and non-homogeneous attitudes of the population toward the many events that have occurred and contemporary political appraisals and orientations, virtual bilingualism and many other features—attempts to make Ukrainian nationalism the state ideology would cause deep schisms in society

according to national, territorial and world-outlook characteristics and schisms in the environment of the intelligentsia, not to mention dangerous confrontations with neighboring peoples.

The political and ideological spheres should remain pluralistic; any ideology is a matter of free choice by individuals or certain socio-political groups. Attempts to foist single ideologies are a manifestation of a deep-seated psychology of Bolshevism in various colorations.

The national significance of Ukraine, on the other hand, can only be ensured through the unification of ethno-historical values with civil, moral and humanitarian values that are universal. The harmony of those values can be accommodated in the concept of the national idea, infinitely broader than nationalism or some other dogmatic ideology. Such a position itself ensures more successful and active opposition to the wave of chauvinism, Russian nationalism and Ukrainophobia that is accumulating on us from outside, and even frothing in some regions of Ukraine itself as well.

Can a nation be considered as something permanent and unchanging? Nations reform through parliamentary reformation—and only then are they viable. It is possible that the formation of a new quality of Ukrainian statehood—based on principles of statehood and not ethnicity—is occurring today. The idea of Ukraine as a homeland for all citizens who have joined their fate with Ukrainian land and are involved in the creation of a society on that land that is responsible for the advancement of a profound historical tradition, at the same time linking that tradition with the strategy of world historical development, is becoming the consolidating idea in that process.

Such a Ukrainian national state adheres to the principle of national interest and national priorities in the state rather than the ethnic sense—as an inherently contemporary development of democratic states.

Such a Ukrainian state, having great natural, economic, cultural and intellectual potential, could make a substantial contribution to world civilization, find its proper place among the peoples of Europe and the world and play a significant role in the regions of Central and Eastern Europe, the Mediterranean and the Near East. It also cannot be ruled out that it will be able to perform a definite world mission—serve as an example of bloodless evolution from a communist regime to a democracy, an example of the peaceful untying of complex interethnic and interstate problems and of friendliness, rather than hostility toward neighbors.

Whether that comes to pass or not depends on the degree of consolidation of the citizenry of the Ukrainian nation-state (consolidation meaning not homogeneity, but rather diversity with a conscious, common aim) and, to a certain extent, on the efforts of each of us.

The philosophers of mankind once said that an idea was always discredited if it contrasted itself to interests.

History has confirmed that as its undeniable law—as long as we are talking about the aim of society. Whence it is worth being concerned about the fact that Ukraine becomes a vital interest for all the citizens of Ukraine. But that is an idea. Because an interest without ideas leads nowhere.

And as for the people who knowingly dedicate themselves to the cause of building Ukraine, the conviction that the measure of citizenship is not patriotic rhetoric, not bellicosity, not the ability to express oneself most sharply toward the party bureaucrats, but rather the ability to handle concrete matters or, at least, to propose a constructive idea for the solving of this or that social problem is growing stronger and stronger among them today.

We can and should argue among ourselves, giving no quarter to pride, but forget all disagreements and offense when we have to unite in action for Ukraine.

Our slogan should be the words of one of the good sons of Ukraine—let my name be lost, but let Ukraine live and prosper.

Paper Refutes EKONOMIST Article on Press Freedom

93UN0031A Kiev GOLOS UKRAINY in Russian
24 Sep 92 p 3

[ECONOMIST article and GOLOS UKRAINY rebuttal by Sergey Pravdenko: "Disinformation: How Is It Done?"]

[Text] *Even in our day, we use the old formula prepared at the dawn of journalism: One teaspoonful of truth to a bucket of lies, mix carefully and, dear reader, it is ready to use...*

In order to avoid paraphrasing, we will print the article from the British publication THE ECONOMIST of 12 September 1992 in full. Its title: "Ukraine. Late Brezhnevism"

The misty-eyed, elderly men and women who came home to Ukraine last month to celebrate its first anniversary of independence got a rude reception from the "father of the nation." When a few of them complained about the lack of a real democracy in Ukraine, President Leonid Kravchuk justified their worst fears by announcing that any foreigners who criticize the government are liable to be expelled. Rumors spread in Kiev that your correspondent heads a list of foreigners to be kicked out in the event of a further crackdown.

This is the latest move in Mr. Kravchuk's campaign to suppress freedom in Ukraine. It began immediately after he was swept into this high post last December on the coattails of the all-embracing referendum vote for independence. While publicly calling on everybody to work together to build a new Ukraine, during the past nine

months Mr. Kravchuk has carefully splintered Rukh, the country's chief center of opposition.

Displaying the intolerance of dissent that served him well in his long years as a Communist Party ideologue, Mr. Kravchuk is developing a campaign against the only prominent nationalist who still dares to oppose him—a former dissident, Vyacheslav Chornovil. No public speech is now complete without a denunciation of Mr. Chornovil and a warning that he imperils Ukraine's independence.

Not content with stifling rival politicians, Mr. Kravchuk and his largely unchanged ex-Communist apparatus have now taken aim at the press. Journalists from two of the few Kiev newspapers that do not follow the generally sycophantic tone of the Ukrainian media are the subjects of criminal investigations. The tragicomic style of Communist rule is creeping back. One of the journalists, during a three-hour interrogation, was pressed to specify which minister he had in mind when he referred to "the idiots in government."

The outlook is so gloomy that it is now the optimists who speak of a Chinese or Chilean model, which combines political repression with economic growth. They place their hopes in Ukraine's new economic boss, Valentyn Symonenko, a burly ex-party man from Odessa, who has a reputation for getting things done. The trouble is that Mr. Symonenko, though he seems to have a talent for bullying, may not use it on Ukraine's commonplace apparatchiks. He makes ritual obeisance to the market economy, but seems more enthusiastic when discussing the state sector, and his newly granted power to rule the economy by decree.

Meanwhile, Mr. Kravchuk grows into his role of supremo with relish, pointedly choosing to spend his holiday in what used to be Mikhail Gorbachev's Crimean dacha. Perhaps he should take care to avoid Mr. Gorbachev's mistake of confusing the views of his chorus of yes-men with the opinions of the increasingly uneasy ordinary Ukrainians, who recently demonstrated their dissatisfaction by a two-day general strike.

We phoned the information division of the Ministry of Foreign Affairs of Ukraine.

"What happened to that correspondent from THE ECONOMIST—have you already kicked him out, or have you not had the chance yet?"

"No correspondent from the British THE ECONOMIST is accredited here."

"But he heads up the list of foreigners who are supposed to be kicked out..."

"There is no such list."

What kind of chimera is this? A phantom from a phantom list? But judging from the lines in THE ECONOMIST, as foolhardy as they come ...

But what is the situation in reality with the "rude reception" of Ukrainians from abroad, the "absence of real democracy," and the expulsion of foreigners who "criticize the government"?

The Ukrainian Government allotted 11 million rubles [R] to conduct a special forum and R8 million more was contributed by sponsors and the Ukraina society.

They greeted the guests as warmly as they could. They took note of the large amount of work and aid that has come to Ukraine from Ukrainians abroad. Why then would they be expelled? For attempts to fan the flames of interethnic and social strife and discord, using interethnic feuds for this purpose. That is, for anticonstitutional actions. What is undemocratic about this? Is there even one country in the world which would stand calmly by while citizens of another state tried to sow "interethnic or social strife" in it? There you have it.

Well, what about the suppression of the freedom and the president who "rode in on the coattails of an all-encompassing referendum" "to this high post"? Has there been even one newspaper or radio or television program that was silenced because of political considerations? No. Well, as for "coattails," almost 20 million of the 32 million voters who showed up at the polls voted for L. Kravchuk. And why did these coattails not "carry to the high post" one of the other presidential candidates? After all, they, the presidential candidates, were well known to the people. And here again we must say: There you have it.

Did Kravchuk "carefully splinter Rukh"? Can any one person, even the president, really splinter something that cannot be split apart? Or does the author mean that the people from Rukh and Narodnaya Rada in the parliament are working in government structures and strengthening the independence of Ukraine, for which they fought? What is wrong with that? On the contrary, in my opinion, Rukh's weakness is that it has not yet provided enough cadres for the state. And, as they say, God help them...

Here the author weaves in the "campaign" against "the only prominent nationalist who still dares to oppose him." This entire "campaign" consists of one official speech in which L. Kravchuk mentioned V. Chornovil and criticized his position. And Chornovil is not twiddling his thumbs; he criticizes Kravchuk, and there is nothing unusual about that. Power is power, and opposition is opposition. That is the way it is with people. Is that not the way it is in England?

As for the "idiots in the government" and the interrogation, it is worth mentioning that today Ukrainian journalists fairly frequently use words indicating a diagnosis without studying the history of the disease. That is, it is as though they were competing: The one who insults the government most is the daredevil. But they should gather the facts and arrange them in such a way that the reader himself can make a diagnosis; this is harder to do, because it requires that the journalist do so work. Of

course, neither in waiting lines nor on the street does one hear: "Hurrah! Long live our glorious government!" They are saying something else. Sometimes they express themselves in several stages. Our public is not coerced. But I am convinced that newspaper language should at least try to be cultured. We here at GOLOS are also striving for this. Not always successfully, to be sure.

But, excuse me, what do the president and the criminal cases against the two Kiev newspapers have to do with this? He recently said at a news conference: "I support everything related to the law. I am not intervening in this matter, I have not given anybody any orders or instructions and do not intend to do so." But does the ECONOMIST author know how many cases there are in the Ukrainian courts right now having to do with "offending honor and dignity" in the newspapers? Dozens and dozens. And this is basically because few journalists have mastered the concept that democracy means responsibility. And that they must cover themselves not with ringing epithets but with facts. But on the whole this is a normal process: Some write while others complain. That is the way it is and the way it will be. It may seem to people that they perceive a "general sycophantic tone of the Ukrainian media." That they are in a Bolshevik dream. At one time that was true in life.

But then the author goes on to talk about political repressions. Is that necessary! But where did he see them? V. Symonenko's description is extremely incomplete. Our Valentyn Konstantinovich is a colorful and complex person. He cannot be confined to black and white (market-state). Now we will neither give him compliments nor defame him. He has had too little time in the government. Another thing is interesting. Does anyone know where in the world, at what rates, and how a transition to a market economy should take place after 70 years of wage leveling and construction of a "bright future"? Or perhaps they know at the British ECONOMIST. Then advise us, do not be stingy. You do not know? Well then. How many years did it take your "Iron Lady" to destatize one or two branches? Do you recall? And where? Right there in England! Where the market is nothing new.

L. Kravchuk, it turns out, "plays the role with relish" because he was vacationing in M. Gorbachev's former dacha in the Crimea. According to our information, nothing ever belonged or does belong to M. Gorbachev personally. And the president of Ukraine did not vacation in Foros. The very mention of it, this dacha, makes chills run up and down my spine.

And the chorus of "yes-men"? Where did the unknown writer manage to hear it? Might it by any chance have been in the Supreme Soviet, where all government bureaucrats, without exception, catch hell? But it is not just the members of the government! People's Deputy Stepan Pushik even criticized Marriannu: He said he was hampering people's work in the fields and farms. A saboteur from Ostankino. But seriously, this is the normal process of the establishment of a democratic

state, a clearing away of the obstacles of a past of unanimity. The path is not easy, as any thinking person can understand.

But how the incognito writer from THE ECONOMIST jumped on the topic of the "two-day general strike"! This is where the British were impressed. All Ukraine stood still and did not work for two whole days. Did you, reader, really never hear of this? And you did not participate in it? How did THE ECONOMIST see all of us among the strikers? For reference: At five mines of Ukraine, 2,016 miners did not go to work. They failed to produce 8,500 tonnes of coal from the daily output of 400,000 tonnes. In rail transportation, of the 76 depots, nine were partially on strike and a certain number of aircraft dispatchers were too. Do you remember the formula? One teaspoon of truth to a bucket of... This is the formula used to prepare the dish of the unknown author which was THE ECONOMIST was so willing to swallow up.

But this grub is not inoffensive. If only because it gives business people of the West the wrong impression of Ukraine. They say: Do not be in a hurry to place your investments there, because the whole country is on strike there, and democracy is barely breathing, and journalists on a certain list are being kicked out. What a nightmare!

One wonders who stands to gain from this. Did someone not take up the old Bolshevik war cry: "The worse, the better"? It is not better for the people, of course, but for someone who is aspiring to power at any price.

And who else stands to gain from this? The answer to this question was added by the weekly ARGUMENTY I FAKTY, which was glad to sit down at the table before the dish that had already been cooked by THE ECONOMIST. The waiter was ITAR-TASS, that is, the telegraph agency of the existing Russia and the nonexistent Soviet Union simultaneously. This aforementioned agency was the one that delivered the dish (or what do they call it now?) from THE ECONOMIST to ARGUMENTY. And we have already seen what kind of arguments and facts those guys have. Just as those who stood to gain from it were convinced.

Editor Claims Campaign Against Independent Press Underway

92UN21684 Kiev VECHERNIY KIYEV in Russian
7 Sep 92 p 1

[Article by Vitaliy Karpenko, editor-in-chief of VECHERNIY KIYEV: "Are They Shutting the Mouth of Glasnost?"]

[Text] The most noteworthy trait, probably, of totalitarianism is the lack of glasnost. Even during the first months after the October coup, Lenin banned the opposition press. Stalin created a system of mass information media that was completely subordinate to the ruling party. Any hint of dissent was harshly suppressed in the Brezhnev times. And even the democrat Gorbachev was

actually did a good deal for democratization and glasnost threatened the press as soon as it trod on his toes.

So we can see how deep are the rudiments of totalitarianism.

Seemingly these have begun to appear also in our country, in the independent Ukraine. Of course, no one declares this openly, as it is not the time, however from the individual facts it is possible to reach the sad conclusion that attempts are being made to shut the mouth of glasnost. In order to back up my charge, let me mention certain facts.

The first fact. An economic slip-knot has been thrown over the press. The promises of Prime Minister Vitold Fokin during the period of the uncontrolled market, to help the mass publications went no farther than state subsidies for the official newspapers and magazines, as well as to those the cofounders of which are the state structures and to those who have shown their loyalty to the power structures. The independent, general political newspapers, including VECHERNIY KIYEV, have not received a kopeck of subsidies.

The second fact. The Ukrainian General Procuracy has initiated criminal cases relating to materials in VECHERNIY KIYEV and NEZAVISIMOST under Articles 126 and 125 of the Criminal Code. It is the Criminal Code but the cases have a political overtone, for it is a question not of flagrant violations of legality or the abuses of high officials and about which both newspapers have written repeatedly but rather the insulting of Presidents L. Kravchuk and B. Yeltsin. As for VECHERNIY KIYEV, here the criminal is transparent. The newspaper has been loyal to its tradition of representing various opinions and positions on important problems of interest to the readers. In the ordinary presentation of discussional letters, two viewpoints were presented on the question of banning the Ukrainian CP. The author of one of them in sharp terms criticized the CP and the author of the other defended it and in equally sharp terms criticized the initiators of the ban on the CP and the former party members from the leading party elite L. Kravchuk and B. Yeltsin. Actually, the editors presented these letters in order to show two extreme positions in social attitudes and to illustrate the intolerance permeating them. Incidentally the sharpness of the statement voiced against the two current presidents did not go beyond the limits of the vocabulary of the generally accepted party political writing.

Then the General Procuracy in a flash initiated the criminal case under Article 126, without even pointing out that in the commentary to it "socialist principles" and the standards of "communist morality" are being defended, without considering that under this article a case can be initiated only under the condition that there is a protest from the injured party himself and without concerning itself with under what laws the honor and dignity of the president of the neighboring state will be protected. I have no doubt that the

General Procuracy would be happy to end this absurd case, all the more as it would fall under the amnesty. But in order to bring it under the amnesty, it is necessary that the person against whom the case has been initiated recognizes his culpability. Our author does not consider herself at fault. And the editors support her not because they agree with her position voiced in the article, but because they do not agree with the illegality which the General Procuracy and certain of its leaders are fostering. Here we subscribe to the principles of Voltaire who penned the noble words: "Your opinion is hateful to me, but I shall defend to the death your right to voice it." The editors have been interested in the fact that the initiated case was not stopped but was brought to court and then the public would have an opportunity to see for themselves how far we had gone along the path of building a state under the law.

The third fact. More and more often from the high officials one can hear complaints of the press (let us recall the recent communist party times and the rebukes that the press had gotten out of hand and it was time to put it in its place). No, now you will not hear such frank complaints but all the same even our Premier cannot refrain from publically expressing his irritation with the opposition press. In the newspaper GOLOS UKRAINY he recalled a comment which was not to his liking and appeared in VECHERNIY KIYEV and where the humor had been "on the Neanderthal level." We were not insulted and of course did not turn to the courts since even then our ears were ringing with the compliments voiced by Vitold Pavlovich for VECHERNIY KIYEV and said just a year ago on our traditional holiday, when the newspaper still believed in the Premier and was loyal to the government headed by him. And also because we self-critically assess our work and know that in fact the humor can be on the "Neanderthal level," as can the perception of it as well. This is not the point; the point is that if the Premier had wanted to discuss things honestly, then he should have turned to the newspaper with which he did not agree and not initiated attempts to besmirch us via another, official publication.

The fourth fact. The President himself Leonid Kravchuk has expressed his irritation with the opposition headed by Vyacheslav Chornovil as well as with the criticism of our system by the representatives of the diaspora. This has been expressed in his public attack against Chornovil (where are you now, democrat Voltaire?) and by the threat via Ukrinform [Ukrainian News Service] of expelling critics from outside the Ukraine with a life-long (!) ban on visiting our independent and democratic state. One might feel like exclaiming (in both instances): "Jupiter, you have gotten angry and it may just be that you are wrong!" It is sad that such an intelligent and wise man as our President and whose accomplishments in establishing the independence of Ukraine are irrefutable has heeded his advisers.

We do not want this article to be taken as an attempt to sting any of our leaders. The issue is quite something else: all these facts taken together make it possible to

conclude that there is a trend toward clamping down on criticism and consequently glasnost. And where glasnost ends, there begins totalitarianism. Illegality reigns in the mold of a lack of glasnost. Where there is no opposition opinion, there is no democracy. Criticism is the drive-spring for the development of democracy and this must not be forgotten. Finally, strong authority does not fear the opposition and attempts to shut the mouth of glasnost derive from a sense of impotence. But impotence as well under the conditions of the actual levers of government, political, economic and psychological pressure on opposition opinion is extremely dangerous. This is why we must be vigilant. We must not allow the opposition movement to be suppressed or permit the independent press from perishing. If there is no independent press—and such a threat is real—then we can say farewell to our young democracy. Here the public can become the basic guarantor for our democratic progress. This is the only real force which any authority must consider.

Two Views on Future of Moscow TV

Replace It With Other Foreign Programming

92UN2166A Kiev *VECHERNIY KIYEV* in Russian
14 Sep 92 p 2

[Article by Yuriy Samoylov: "Moscow...or Warsaw? Reflections on TV Addiction and More"]

[Text] Esteemed reader! How would you like it if all of a sudden you turned into a morphine addict? Or a cocaine addict or a heroin addict. In a word, drug addicts. Imagine the consequences, Mr. reader? Trains would be derailed, the supply of electric power and gas would stop, the stores would close, because the officials would begin to show the withdrawal syndrome (drug hangover). Everyone knows what you have to do with a hangover. For this reason our life would be made up of waves of drug euphoria and hangovers.

Absurd? A fantasy? But just take a glance at the weekly TV schedule and what we watch. Why are two channels out of three taken up by Moscow which in the morning and evening every day transmits "Mariana" and in the day and evening such amusing fare as "Limpopo," "Love at First Glance," "Field of Miracles" and others which, in my view, have been created for, to put it mildly, not a very demanding audience. And between these 10-minute clips, they run the Moscow news and this contains much that scarcely contributes to the building up of the Ukrainian state.

People watch all this and swallow it. When "Mariana" begins, work halts in the villages and the people first watch and then discuss the vicissitudes in the spiritual dramas of the Mexican rich. I know several persons who watch "Mariana" twice a day because they cannot exist without this.

Is this not an addition? One can imagine that after another 50 installments of the Mexican blockbuster, operations will stop in hospitals, transport will halt and

aircraft will fall... The Moscow newspaper IZVESTIYA "is pleased" that after the end of "Mariana," Ostankino is preparing another surprise: the same endless papp "North-South" with another 300 installments. And that is not all! It is also stated there that soon the "Center" will broadcast several such addict series simultaneously! Eat it up, "CIS citizens"!

At one time in the U.S., an experiment was conducted by showing the most ordinary melodrama in movie houses, but after every 20 or 30 frames of the main film they inserted frames from a horror film. The conscious mind did not succeed in recognizing the additional information, but these frames remained in the subconscious and the people, in sitting in the theater, became frightened and some of them even had heart attacks. How can we understand the showing of the Moscow TV broadcasts—the serial with the "news" inserts—except as such experiments? Of course with an imperial subtext. At times it seems that these chauvinistic "experimenters" are close to their goal as everywhere you hear people saying that it is worse to live in Ukraine. How is it possible to separate from Russia, where everything is cheap while in our country there is nothing and it is expensive, the damned nationalists have seized power and so forth and so on. And this is in Kiev. What could one hear in Kharkov, Nikolayev or Odessa?

Unfortunately, Ukrainian TV has nothing with which to resist the Moscow TV addicts. But it must be possible to broadcast on Ukrainian TV a film classic, or "Superman" or the same "Star Wars"? With a translation into Ukrainian, of course. The bureaucrat will say that there is no foreign exchange to purchase such costly films. But has anyone turned to the world movie and TV corporations with a request for humanitarian aid? Not food, but precisely humanitarian in the literal sense of this word? Finally, we have a multimillion-strong diaspora which would be happy to help us obtain such programs on easy terms, if only there was some desire to do something in this direction. It is possible to follow several other paths. Why not agree to broadcast programs from Warsaw over the entire Ukraine? Or from Bratislava? The bureaucrats will say that it is impossible to conclude such an agreement. But has anyone tried to test the waters in this area? Possibly the Ukrainians would not understand the Polish? A dubious assertion, particularly after thousands of our compatriots deal freely with the Poles on their lands at the Warsaw or Krakow markets. They might also say that the Ukrainians do not need the broadcasts for Poles, that the television will have chauvinistic propaganda, that... How many arguments of this sort could one think up in order not to do anything? Possibly it would be better to ask the residents of Lvov or Uzhgorod whose TV they like more? Finally, will it be any worse for the Ukrainian if his children are fluent in Polish, Slovak or English? The latter I shall explain from the example of Finland. Virtually all the artistic films and a majority of the informative broadcasts are transmitted in the original, that is, in English with Finnish subtitles. All the north of Estonia steadily receives three

channels of Finnish TV and in certain places, without any special equipment, it is possible to catch Swedish TV. As a result, virtually all who regularly watch Finnish TV in Estonia are fluent both in English and in Finnish (Finnish and Estonian are as similar as Ukrainian and Belarusian). On Polish TV, of course, there are fewer programs in English, but they do exist, in contrast to ours.

Hence it seems to me that the Polish government, the first to recognize Ukraine as an independent state, would not refuse us such humanitarian aid all the more as such aid would not require any money. Nor do I have any doubts about the Slovak government. It seems to me that thus we would be the first in the collapsed empire to show the world real internationalism and not Bolshevism. A policy of real internationalism has been proclaimed by our President and this step in the world will be accepted much better than any statement from any bureaucrat.

Finally, I feel that in this manner our people will have their world view significantly broadened and their culture raised. Otherwise a rather gloomy prospect awaits us of being the consumers of infinite TV scraps from the civilized world like "The Handmaidens of Izaura" or "Mariana" and then we shall degenerate into a nation of TV addicts. Is this not what the Kremlin wants?

Allow Viewers a Choice

92UN2166B Kiev *VECHERNIY KIYEV* in Russian
14 Sep 92 p 2

[Article by Nikolay Protsenko: "Ukrainian TV, Don't Push Us Into the Clutches of Ostankino"]

[Text] People talk as if there, in Germany, Belgium or another place, they have no fear of the TV broadcasts from their neighbors. We as well, seemingly, were not born yesterday. From Moscow comes the "News" and from Kiev the UTN [Ukrainian TV News], "Dnipro" and "Kiev Panorama"

For some reason UTN appears precisely at the moment when Moscow is the the "News" and "Dnipro" just when "Final Results" are on the Ostankino Channel. They even overlap when "Kiev Panorama" is not yet over and UTN is already on.

The viewer is constantly clicking the control in order not to miss anything substantial. Of course, first of all we want to hear and see our own, that is, Kiev and Ukraine. But when Ostankino clearly says: "There is fighting in Karabakh..." or "Russia and Ukraine have reached an agreement," we develop a sort of pseudopathic element: "These evening meetings once again showed indomitable, undelegated vigor."

From whence does this vulgarization of the national idea come, the reduction of it to a peasant, tribal response and which does have a place in the historical and culturological broadcasts but not at the very time assigned for the news? Are we not being deceived again only now in a different way?

The only hope for the viewers who want to see both Kiev and Moscow is that Ukrainian TV, in contrast to its Moscow colleagues, time and again violates the announced time for the showing of its news programs. In truth, this is a very relative hope, since business people, for whom every minute is precious, in a majority of instances turn off the receiver in order not to hang around indefinitely in front of the screen.

Thus it turns out that Ukrainian TV pushes the viewer into the path of obtaining one-sided information, just from Moscow.

Is not the viewer hard pressed by immediate concerns insulted if during a film "about the love" of Andrey who had met Oksana before the UTN but now must declare his love after the news? If Ukrainian TV is not capable of providing such precision, they at least they should use subtitles which would be flashed on from time to time that "The news will be at such and such an hour!"

Television is the face of the nation exposed to the entire world. And in our country this is not very attractive. If I were an overseas businessman, I would only have to compare the two TV programs—the one printed in the newspaper and the one shown on the screen—in order to conclude that "It is not worth investing money in Ukraine."

P.S. *VECHERNIY KIYEV* can also be faulted for this. Compare at random a TV program in *VECHERNIY KIYEV* and any other newspaper (for example, I have *IZVESTIYA* in front of me). In *VECHERNIY KIEV* I read: "Ukrainian Football Championship. In the break UTN." What do we find in the alternative source? "Ukrainian Football Championship. During the break (1945 hours), UTN." The difference on paper is four numbers and a period. The difference in essence is an abyss. An abyss in the attitude toward man and his times and even an abyss between philosophies: the philosophy of wasting time and the philosophy of clearly scheduled activity.

For this reason, I request that you don't send my fee, but buy a can of printing ink. Enough for four figures and a period.

Metropolitans Vladimir, Filaret Discuss Orthodox Church Conflict

Vladimir Views Conflict

92UN2185A Moscow *MEGAPOLIS EXPRESS*
in Russian 9 Sep 92 p 6

[Interview with Metropolitan Vladimir by V. Logachev; place and date not given: "Priests Fight—Ukrainians Get Headache. As Long as Politicians Keep on Intervening in Church Affairs There Will Be No Peace"]

[Text] We have become accustomed to schisms and contradictions and inter and intraparty struggle in Soviet life and many have already concluded that it is a natural

process of social development. When such things take place within the church, within its highest circles, we are puzzled and a lot appears to be incomprehensible, which is indicated by the mail received at MEGAPOLIS EXPRESS. Our readers are particularly disturbed by the question: has peace settled in the consciousness of believers in Ukraine in connection with the appointment of Vladimir as head of the Ukrainian Orthodox Church and if not, is it a consequence of the irreconcilability of positions occupied by Vladimir and Filaret? Judge for yourself.

[Logachev] Your Reverence, what is taking place within the church in Ukraine is incomprehensible. A schism among the Orthodox?

[Vladimir] What is taking place is hard to understand for an ordinary person because a part of the church is attacking the rest of the church. In our country, which has become independent and autonomous, all the laws are being trampled, both state and human ones. I do not know what God will bring in the future, just as long as there is no violence or an intercongregational war such as the one that is currently being waged in a literal sense.

Here are the facts. The cathedral, eparchial administration, and the seminary were forcefully seized on 12 August in Lutsk. A standoff has already been taking place for the second month at Rovno where people are spending night and day in the churches out of fear of losing them. One attempted seizure has already taken place on 15 July but the Orthodox successfully defended the church. There was a war under way at Vinnitsa and Ivano-Frankovo for the eparchial administrations. Young thugs came and occupied the buildings but the people somehow handled the situation and won back the buildings. In Vinnitsa congregation members were assisted by the militia when those who burst in threatened to blow up the building if those present would not accept the bishop appointed by the defrocked Filaret. On the eve of my arrival there was an attempt to seize the Lavra—the faithful and the monks defended it throughout the night. A criminal proceeding was initiated on the basis of this case, but everything disappears in the shifting sands. Violence continues, however—at Pereyaslav-Khmelnytskyi and other cities. It is instigated, as a rule, by deputies Chornovil and Skorik. Should a democracy by meetings resolve questions pertaining to the church as to who should own a prayer building, who should follow Filaret and who backs Vladimir?

[Logachev] Of all types of conflicts the most merciless and prolonged ones are those that have a religious background. Do you see a way out of the situation that has formed?

[Vladimir] I think that this is a temporary phenomenon, some kind of a flare-up of violence. But as long as the politicians continue to interfere in church affairs, there will be no peace on Ukrainian soil. Everyone has the right to choose his own congregation—whoever he wants

to trust and follow. In our cases violence is utilized in order to force a person to do something that he does not want to. People clash with each other. There are wounds and victims. This is frightening. But we are still of the same faith and are countrymen! It's beyond belief...

[Logachev] The president of Ukraine Leonid Kravchuk declared that an independent state must have an independent church. Perhaps what is taking place is a very hasty implementation of a political slogan into life?

[Vladimir] Undoubtedly. We are heading toward that. But everything must be done only on a legal basis in order to avoid a new sectarianism or a schism. If the western parts of the Ukrainian state support the idea of autocephaly then not everything is that simple with the eastern regions. Former Metropolitan Filaret wanted to accelerate the process but the movement failed at the extraordinary synod of the Ukrainian Orthodox Church when the bishops, who at first supported him, thought better of it, remembering that the parishioners had warned them—"Bring back autocephaly and you can look for other jobs, we will not accept you."

Two years ago the Ukrainian Orthodox Church was granted independence in management. We have our own holy synod and our own church meetings, like those of the local churches. Moscow does not interfere in any of our affairs. But so far that is autonomy and not full independence. We are preserving spiritual links with the Patriarch of All Russia inasmuch as through him we are maintaining unity with world Orthodoxy. We will be truly independent only if we are supported in this by the other 14 local Orthodox churches. Correspondence is being exchanged on this topic with the eastern patriarchs. Their favorable attitude is evidenced by the congratulations sent by primates of most of the churches, even though their special recognition was not required because I was elected at a synod of archbishops of the Ukrainian Orthodox Church.

[Logachev] Inasmuch as it is possible to judge by the official biography you split all of your time between Ukraine and Russia. Why?

[Vladimir] That is common practice. I have always wanted to be in Ukraine. I was an archbishop for four years in Chernigov, spent several months in Kiev as a vicarage bishop, and four years as editor-in-chief of UKRAINSKIY PRAVOSLAVNIY VESTNIK. I really did not want to leave Ukraine, but no one asked me. In the church, like in the army, the only response to an order is: "Yes, sir!" except that in our case it is: "With your blessing." Former Metropolitan Filaret also used to always tell me that he would not allow me to return to Ukraine.

[Logachev] His positions always were strong in the management of the Russian Orthodox Church. One even hears that under the late Patriarch Pimen all affairs of the Russian Orthodox Church were actually managed by Metropolitan Filaret. Pimen was ill for several months.

each year, in addition to which he only had a fourth grade education in a parish church. Is that close to the way it really was?

[Vladimir] Pimen was quite ill. He had cancer and asked me to conduct a liturgy and wanted to take Holy Communion before surgery. Then, after the liturgy, he regained faith in himself and refused surgery. The minister of public health, in my presence, told him that he had no more than six months to live, and heard him respond that it's God's will and if God allows him to live five days or five years—that is the way it should be. He lived five years and died of cardiac insufficiency. But until the very last days he regularly attended the Synod, even though not always to the end of the session. At that time we were meeting for seven to ten hours. Particularly when writing new regulations for the church and working on a draft law on freedom of conscience.

[Filaret] held the most senior position in the Synod. When the patriarch was ill or unable to work, someone had to handle representational activities, meetings, commissions, and various appointments. But I would not say that Filaret managed the church because Patriarch Pimen, even though he was a very simple person, was also very persevering particularly in his final years.

[Vladimir] Filaret was in Kiev for a long time and knows a lot about the leaders. Perhaps his support by the patriarchy is conditioned by the fact that mutual silence is the best policy.

[Vladimir] It appears to be that way. On 26 June we had a session of the entire church which appealed to the appropriate agencies with a request to study the legality of the seizure of the Cathedral of St. Vladimir, the residence, and the office. We received a stereotypical reply from the procurator's office, the court, and the city and metropolitan of Kiev stating that they saw no reason to interfere in the internal affairs of the Ukrainian Orthodox Church.

We are unable to appear on Ukrainian television nor in the press for the third month—everything is blocked. I appealed to the president of Ukraine with a request for an appointment. The first meeting took place back in time—soon after my election as primate. I did not expect much from it—it was merely for the purpose of becoming acquainted. The president expressed his readiness in a very concrete manner, and said that the government—whoever receives the largest following of people from the episcopate, as well as of monks and the laity—and that the leadership supports all registered churches and treats everyone equally. In life, however, things are sometimes completely different.

[Dmytro] The Greco-Catholic Church is presently acquiring considerable influence in western Ukraine. Is there a mutual understanding or conflicts with it?

[Vladimir] Neither mutual understanding nor conflicts. Representatives of the Eastern Catholic Church come and go, in my opinion they have their own problems

and they are not quite satisfied with the attitude of the Vatican toward them. A day was especially set aside at the All-Ukraine International Forum for intercongregational communication. All of us must at first seek human contact with each other. Subsequently, if favorable conditions exist, we will develop bilateral and multilateral theological dialogues and talks. We are all living together, under the same conditions, on the same earth.

Filaret on Autocephaly

92UN2185B Moscow MEGAPOLIS EXPRESS
in Russian 9 Sep 92 p 6

[Interview with Metropolitan Filaret by Yu. Radchenko and A. Gusev; place and date not given: "Our Unification With Vladimir Is Inevitable"]

[Text]

[M. E.] Your Reverence, you have been abandoned by almost all the bishops of the Ukrainian Orthodox Church even though as recently as in the fall of 1991 at the synod in Kiev they unanimously supported your appeal to the patriarch Alexy on the granting of autocephaly to the Ukrainian Orthodox Church. It is said that this mutiny of the bishops has been developing for a long time?

[Filaret] I think that the point is not what was developing. Perhaps part of the episcopate was dissatisfied with my demands with regard to the observance of church discipline. It did not appeal to everyone. But that is not of the greatest importance. There are some internal, secret, levers which were activated. The bishops were told in no uncertain terms that if they follow me they shall face the same fate—a ban and de-rocking. That is the reason for the change in direction that occurred at the Kharkov meeting.

[M. E.] By "levers" you mean the operation of Russian intelligence services? Chauvinistically spirited monks?

[Filaret] Possibly, even though I have no concrete evidence. Otherwise it is difficult for me to understand the bishops who earlier unanimously adopted the decision to appeal to the patriarch and the episcopate of the Russian Orthodox Church with a request for full canonical independence. We held preliminary talks with them and this was nothing sudden for them. That was an entire process. We consulted even after the local synod of the Ukrainian Orthodox Church in November 1990 and everyone was going to the synod of archbishops with similar intentions. These same archbishops were at the reception held by Ivan Plyushch, chairman of the Supreme Council of Ukraine, and informed him of their intention to strive for independence of the Ukrainian Orthodox Church. Suddenly, this unexpected turn.

[M. E.] Your unification with the Ukrainian Autocephalous Orthodox Church is considered to be fictitious by many. In the opinion of the prelate of the Ukrainian Autocephalous Orthodox Church, Ioann Bondarchuk

and certain other bishops, you simply joined that church as a private individual without a single eparchy behind you. Patriarch Mstislav of the Ukrainian Autocephalous Orthodox Church, who was proclaimed head of the new church, Ukrainian Orthodox Church—the Kiev Patriarchate, where you are a deputy of the patriarch, is also in no hurry to approve this unification. How do you evaluate the possibilities of a schism within the Ukrainian Autocephalous Orthodox Church itself on these grounds?"

[Filaret] I know that the desire to split the union of Ukrainian Orthodox Church—Kiev Patriarchate, exists, that those who are unfriendly are seeking various reasons and possibilities for accomplishing that: there is documentary proof of this. As far as the unification itself is concerned, it was not a unification of Filaret with Antony, as some are suggesting, but a true unification of the Ukrainian Orthodox Church, which I headed, with the Ukrainian Autocephalous Orthodox Church.

The unification, of course, did not occur with unanimous concurrence. Participants of the synod and the delegates there were people who did not particularly want such unification. Even Patriarch Mstislav himself, still does not understand the significance of what happened, and his position to this day remains unclear. In some instances he expresses himself in favor of unification, while in others he expressed doubts, but the episcopates of both churches, which were at the synod, believe that unification is necessary. I, in turn, suppose that unification of Ukrainian Orthodox Church—Kiev Patriarchate with the Ukrainian Orthodox Church of the Moscow Patriarchate is likewise necessary and inevitable. Sooner or later it will occur.

I think that Patriarch Mstislav himself, is gradually looking with growing favor on the recognition of our union. He is planning on conducting a meeting of clergy and the episcopate as well as laymen in the U.S.A. for the purpose of discussing this question. I believe that we have a future.

Bishop Andrey of Ivano-Frankovo, after consultations with Patriarch Mstislav, also appears to favor recognition of our union. He has no other alternative. After all he cannot make his eparchy autocephalous.

[M. E.] Two months ago an attempt was made to seize the Kiev-Pechersk Lavra by members of the UNSO [Ukrainian National Self-Defense Force]. Members of this organization are attempting to seize churches and eparchial buildings in many oblasts of Ukraine now as well. Are such acts of violence compatible with Christian morality?

[Filaret] I have a negative view of any form of violence, but it started specifically against our church when the legally appointed Bishop Lazar was banished from his own eparchial administration in Odessa. Bishop Yakov was forcefully evicted at night from the Pochayevsk Lavra, a false rumor was put into circulation that he was in favor of a union and wants to transfer the Lavra to the

Greco-Catholics. Then there were the events around the Vladimir Cathedral, next to my residence. So the violence was not started by our side. Violence, naturally, always begets more violence, as sad as that may be.

As far as the Kiev-Pechersk Lavra is concerned, I am the abbot of that Lavra and it is my residence, and how is it possible to say that I am seizing my own residence?

If the matter is regarded from the legal viewpoint, then the attacks are being directed against us. What is taking place at Lutsk and Rovno will go further. That is already a popular wave. It was specifically under the influence of the masses that the local organs of power were compelled to make a decision regarding the transfer of the cathedral of the Ukrainian Orthodox Church—Kiev Patriarchate. An offer was made to Bishop Varfolomey to hold joint church services but he categorically refused to do that. It seems to me that in order to avoid further escalation it is necessary to initiate a dialogue between the leadership of our church and the leadership of the Ukrainian Orthodox Church subordinated to the Moscow Patriarchate for the purpose of forming a single independent Orthodox church.

With regard to UNSO. That organization has no connection with the church. It is self-managed. It assists us since it stands, just as we do, for independence of Ukraine. It does not belong to any church structures and we have no direct connection with it.

[M. E.] Metropolitan Vladimir Sabodan also asserts that he is in favor of autocephaly, that this must be a gradual process, and that autocephaly be established with the agreement of all the faithful. It seems that you and he have a common goal but different ways of attaining it.

[Filaret] At present it is absurd not to support the idea of autocephaly in Ukraine since no one would understand that. For that reason Metropolitan Vladimir is compelled to use this terminology in order to have some support. Actually however, to postpone the acquisition of autocephaly for an indefinite period without the excuse that universal consent of the Orthodox faithful is necessary, is tantamount to a rejection of autocephaly forever. Our words are the same but the deeds differ. I favor total independence, while Vladimir is opposed, since Patriarch Alexy is against the granting of autocephaly for us.

I was in contact with both Patriarch Alexy and the episcopate of the Russian Orthodox Church and know their mood. They are against autocephaly for us. Even before the synod I met with Patriarch Alexy and he told me: "We cannot refuse you, otherwise there will be an explosion in Ukraine." The patriarch understands the mood of the Orthodox population in Ukraine. I would not have granted us autocephaly in 1991 that would have been the best solution. It would have served to consolidate Orthodox unity in Ukraine and no schism would have occurred between the Orthodox Ukrainian Church while fraternal relations between the Ukrainian Orthodox Church and the Russian Orthodox Church.

would have been reinforced. But he followed a pernicious route and, I believe, did that not without some type of influence.

But it is never too late to return to this question. It would be wise for the patriarch to review his position and grant us autocephaly. We, in turn, would find a way to unify and create a single church. I know why the patriarch delayed the resolution of this question: he believes that circumstances will change and everything will return to the way it used to be.

Nothing will return. If we look at the history of the formation of local churches we will see that all of them went through this painful path of self-determination. Even the Russian Orthodox Church remained unrecognized by Constantinople for 150 years, but lived its ecclesiastical life and performed its mission in society. The process of self-determination of local churches always took place in a painful manner. We are following the same path. We are looking for a way to initiate a process of negotiation with Metropolitan Vladimir. We had a meeting with him and proposed that negotiations be started but so far he has not reached a decision.

[M. I.] If the Ecumenical Patriarch Varfolomey does not recognize the canonicity of the new church, what will be your subsequent tactic?

[Butsko] A process of unification and self-determination of the Ukrainian Orthodox Church will take place. It is difficult to judge if this path will be a long or a short one, but there will be no turning back. The people want to have an independent church, and that is irreversible.

INTERNATIONAL AFFAIRS

Ukraine-Polish Railway Transport Cooperation Examined

[L. K. 7000] Moscow GUDOK in Russian 8 Sep 92 p 1

[Interview with Janusz Butsko, director of the office representing Polish Railways in Ukraine by I. Antonyuk, GUDOK correspondent, in Lvov; date not given. "Sovjet/Russ Must Be Friends"]

[L. K.] An office representing Polish Railways in Ukraine has been operating in Lvov from the beginning of June. Our correspondent met with Janusz Butsko, director of this representation.

[Antonyuk] Why was the representation opened in Lvov and not other towns?

[Butsko] We were influenced by the proximity of border points through which transit shipments pass en route to other of the other countries. There are 12 such points on the Lvov railway - three of which are to Poland.

[L. K.] How do you and Polish railway workers route shipments through our border points of Yagodin - Dorokhuv, Izovo - Hryhoriv, Mostiska - Medika.

[Antonyuk] What sort of difficulties are encountered by Polish railway workers on the way to the market?

[Butsko] Polish railways are in a difficult economic situation. An entire series of reasons is responsible for that. One of them is the significant decrease in the movement of freight and passengers. This is caused by a number of reasons. First of all, by the crisis situation in the Polish economy, which led to decreased mining of coal, a decline in the output of the metallurgical industry, and a drop in construction as well as in the production of mineral fertilizers. Secondly, by competition from motor transport, particularly of the private kind, which hauls mainly light cargo over short distances. Thirdly, by a significant decrease in commercial transit shipments in the east - west - east direction.

In 1986 Polish railways transported around 420 million tons of freight, and in 1991—225 million tons, about half as much.

The principal reasons for a decrease in the volume of passenger traffic included unemployment, privatization, and the related opening of small enterprises at places of residence (which considerably diminished the need for transportation), limitations in the partial payment for tickets by enterprises, a rise in prices for tourist services and rest, with a simultaneous increase in prices for tickets, development of automobile transport in the form of small firms which provide transportation services, and a decrease in shipments over international routes in connection with the introduction of payments in convertible currency.

In 1986 Polish railways carried around a billion passengers, in 1991—650 million.

The drop in passenger and freight load, limitation of subsidies from the state budget, and deepening of the financial deficit of railways constituted the reason for a reduction in force. In 1991 some 47 percent of the workers were laid off. One managerial level in the transport service was eliminated, that is, the rayon directorates, for instance, of which there were 33 within the railway network. Subdivisions for the repair of rolling stock and construction work, and all those who were not directly connected with operation activity were eliminated. We also undertook the closing of unprofitable railway lines along with the introduction of other measures directed at reorganization of Polish railways. In addition to that we are preparing for the conduct of privatization. This will make it possible to equalize the rights of railways and motor transport.

It is necessary to grant railways the right to set free tariffs, including those for the transportation of passengers and shift over to the subsidization of suburban transportation.

Such an organization of labor, in our view, will make it possible to join the market.

[Antonyuk] What kind of a future do you visualize for cooperation and expansion of export-import shipments between Ukraine and Poland?

[Butsko] The representation of Polish Railways in Ukraine will conduct current and long-term studies of the local transportation market and the possibilities of general transit shipments over the territory of Poland. Its task is to collaborate in commercial transactions and organization of joint ventures with participation of foreign capital, supervise shipments in mutual turnover and transit, observe international railway transport, adopt and coordinate shipping plans and participate in the realization of export-import obligations of Polish railways, and also establish and expand contacts with local authorities and enterprises, as well as international organizations and transport representations of other states which may have common interests with Polish railways.

Specifically, I recently coordinated with the director of Lvov Railway the suggestion that in order to improve passenger traffic between our countries it is necessary to start operation between Lvov - Zamosc - Lvov on broad gauge with border crossing via Izovo - Hrubieszow. I submitted such a proposal to the general director in Warsaw with a request to establish contacts through appropriate railway services with border security and customs officials. Such a passenger train is now in operation.

In addition to that there is a real possibility of increasing the shipment of metal, sulphur, and other freight on the Izovo - Katowice line with establishment of the shifting point at Sendzeshov.

[Antonyuk] The economic crisis and lowering of the standard of living of the people produced dissatisfaction in the ranks of the trade unions, which began seeking new ways of protecting the interests of the workers. Independent trade union associations are forming in railway transport. How are Polish railway trade unions surviving in this difficult time?

[Butsko] You have to ask the trade union representative. As a former director of the Eastern Railway District I can

say that on its territory there are several such associations. In my opinion a large number of various trade union organizations does not help the head of an enterprise to manage. I favor constructive cooperation with independent trade unions. Therefore trade unions must be self-financing.

[Antonyuk] Even though our railway workers are working in close proximity to yours we know almost nothing about the standard of living of the Polish railway workers. What benefits do they get as compared with workers in other branches?

[Butsko] At present the average monthly wage of our railway workers, together with all the subsidies, amounts to one million 950 thousand zlotys, which is equal to nine-tenths of the earnings in five of the main branches of the economy: in industry, construction, communication, agricultural industry, and public utilities.

The indicated wage includes allowances for household coal and a work uniform. Our railway workers receive an 80 percent discount on railway tickets.

Polish railway workers can use the services of their own medical personnel. They pay 30, 60, or 100 percent of the cost of prescriptions, depending on the category of the medication. For example, they pay 30 percent for domestic drugs.

We have our own rest facility and sanatoriums. The discount for a 14-day stay at the rest facility depends on the amount of monthly earnings and comes to a minimum of 403,000 zlotys per person with a maximum of 604,000. The full cost of such a vacation is 1,680,000 zlotys.

Railway workers and members of their families pay nothing for a 24-day stay in a therapeutic-clinical sanatorium. A stay in other sanatoriums costs from 300,000 to 400,000 zlotys.

We eliminated all kindergartens and are renting out their space. We are doing the same with other buildings which are not needed by the railway.

In conclusion, I wish all Ukrainian railway workers good health, success with their work, a green light, many happy homecomings and a bright future.

MOLDOVA

Moldova-Bulgaria Cooperation Agreement Described

934A0010A Chisinau NEZAVISIMAYA MOLDOVA
in Russian 10 Sep 92 p 1

[Unattributed report by MOLDOVA-PRES: "Moldovan-Bulgarian Relations Legalized in Treaty of Friendship and Cooperation"]

[Text] According to Article 19 of the treaty, concluded for 10 years, Moldova and Bulgaria have pledged themselves to develop and expand bilateral relations based on mutual trust and respect, and to resolve all disputes exclusively by peaceful means, using the mechanism of the United Nations and the Conference on Security and Cooperation in Europe to settle international disagreements. The third article of the treaty emphasizes that the parties will do everything possible to reduce the amount of armaments and armed forces in Europe to a minimal balanced level.

The Republic of Moldova and the Republic of Bulgaria have committed themselves to cooperate in the sphere of the development and execution of regional projects and initiatives, in the main with states of the Black Sea basin and the Danube. In this regard, it is necessary to take note of the provision of Article 7 of the treaty.

Thus, the main objective of both parties is the stimulation of mutually beneficial economic and trade cooperation. In accordance with national legislation, favorable conditions will be established for the development of free initiatives and other economic activity being conducted by physical and legal persons from the contracting sides. Mutual investments and the creation of joint companies, enterprises, and banks will be stimulated, including with the participation of partners from third countries.

Bulgarian officials, and also the local press, have displayed a special interest in the policy of the Republic of Moldova with respect to the Bulgarian minority living in the southern regions. During the talks between Mircea Snegur and Zhelev that preceded the signing of the treaty, much evaluation was given the edict of the president of Moldova, which promotes the preservation of the ethnic, national, cultural, and religious unity of the Bulgarian minority. The principles formulated in the president's edict are fixed in Article 14 of the Moldovan-Bulgarian treaty and are appraised by President Zhelev as an "unprecedented document in the history of interstate relations."

Deputy Foreign Economic Minister on Opening Up Trade

934A0010B Chisinau NEZAVISIMAYA MOLDOVA
in Russian 21 Jul 92 p 2

[Interview with Artur German, deputy minister of foreign economic relations of the Republic of Moldova, by Yelena Zamura; place and date not given: "Artur German: 'Foreign Partners Want Moldova To Cease Being a Zone of Risk'"]

[Text]

[Zamura] Recently, Mr. German, you published material in our newspaper under the heading, "The State That Strives To Become a Province Does Not Evoke Sympathy." Some readers saw in it a declaration of ultra anti-unionism. Do you agree with this reading? And can a ministry whose strategy is integration demonstrate adherence to extreme positions?

[German] I am not a unionist, and I am not an anti-unionist. I am a citizen of Moldova. And also a supporter of the movement of the Romanian states to meet each other halfway, but by means of evolution and economic methods. I am an opponent of forced unification by political methods. If the idea of unionism is interpreted as the idea of the convergence of two states, then our ministry serves it more correctly than some politicians.

[Zamura] You believe that unification is possible only in the distant future?

[German] It is theoretically possible right now. But what will follow after this? Privatization has occurred in Romania; there is experience there of functioning private capital, and there is the capital itself. But you and I have nothing other than wages. I wrote about this.

[Zamura] Do you mean to say that in the event of unification we will be threatened by economic intervention?

[German] That is putting it too sensationally. There is simply a lack of convergence of our capabilities and theirs.

[Zamura] What do you mean by convergence?

[German] Approximately what Western political scientists and economists had in mind in the 1960's. I investigated this idea and its practical implementation in a dissertation devoted to the problems of the supranational regulation of agriculture in Western Europe. Convergence was victorious there. Its fruit was the European Parliament, the Common Market, and the formality of borders.

[Zamura] So this, then, is the strategy of the ministry?

[German] To the West—through Romania. But those are also right who propose maintaining relations with the Eastern market as well.

[Zamura] However, you have claimed that the standard of living in Romania is lower than in Moldova.... Are there not contradictions in your words?

[German] The village lives better here. But the city.... Overall, Romania is a very wealthy country. It simply finds itself in a difficult transition period, the period of a break and transition to the new state and economic system.

[Zamura] Your characteristics of the economic condition of this country in the article can seem to be overly severe. Do you agree?

[German] I participated in newspaper discussions on this subject, and the "no" of my appearances seemed categorical against a background of other "neither yes, nor no" positions. I am a direct person.... There were anonymous phone calls with threats. Perhaps this somehow influenced the style of my articles. But the main thing is that I wanted to arouse a feeling of national pride in the people. I have always been proud of Moldova.

[Zamura] We have a Ministry of Foreign Affairs and a Ministry of the Economy and Finance. Why does such a small country also need a Ministry of Foreign Economic Relations?

[German] Each of the aforementioned ministries has its own priorities. Having declared independence, we abandoned the Union structures that were engaged in foreign economic activity. But, at the same time, new successor ministries were created in the CIS states. It is true that in our country there was a department under the Ministry of the National Economy. All of its activity added up to registration and licensing. This did not promise anything good. And so a group of like-thinking experts was formed which sensed this more clearly than anyone else. Long and persistent petitioning was started.

And so, contacts were made with many states, and trade and economic agreements were concluded with Poland, Czechoslovakia, Romania, and China. With Romania—a number of particularly favorable agreements in the sphere of free trade, integration, and mutual assistance. The most important achievement was the signing of an agreement with the United States on conditions of most favored nation treatment. We are now extending this process into the area of a lenient regime of taxation and of investment incentives. I will also mention that our experts have prepared a package of documents on agreements with countries of the Black Sea basin, on the Istanbul summit meeting, and on the world economic forum. We are working on a concept of agreements with countries of Western Europe and the Near East. In general the amount of work is enormous. I do not know whether it would be within the power of our ministry if it were created "artificially."

Moldova, like the other republics of the former USSR as well, was terra incognita for a majority of the countries. We are continuously sensing a vacuum of information around us. Partners know practically nothing about the

economic, industrial, and agro-industrial capabilities of the Republic of Moldova. Here is a recent example:

An official delegation from Kuwait learned here in our country that it turns out, Moldova produces equipment that it has been importing for a number of years. But how would Kuwait know, when the label read "Made in the USSR." In this case, this was nothing new for us, but it should be said that until now we do not possess full information on previous export deliveries. For various reasons, such information is being concealed.

We are starting everything from scratch. The successor to the former Union got everything—embassies, missions, seats in international organizations, banks, certain funds. Data banks on supply and demand and foreign market conditions also went the inheritance route. So the lot of trailblazers fell to the other republics. And, as is well known, it is always more difficult for them. Therefore, in practice, we proceed from the principle of reciprocity. And here, an entire complex of political, diplomatic, and personal factors must work. In Helsinki, President M. Snegur had a number of personal meetings with the leaders of a number of states, and this eased our tasks very much.

There are still two factors that create a certain dissonance in our activity. This is the political situation in the republic and the level of politico-economic reorganizations in Moldova. Great interest is displayed in us, but not one sensible businessman will begin to risk his investments where there is shooting. Not only Moldova is considered a risk zone, but also the adjacent regions of Ukraine. Thus, there is a reason for us to achieve a mini peace on this land. The second factor is the level and the pace of economic reorganizations in the republic. We cannot do without evolutionary but radical changes. Then foreign partners will make their investments in our structures with enthusiasm. After all, they need certain guarantees that there will be no return to the old totalitarian system of socialization of property.

[Zamura] And, nonetheless, Mr. German, are there foreign partners who have already started to cooperate with us?

[German] We have succeeded in finding partners who allocated credit for the purchase of grain, medicines, and consumer goods. There are also examples of an industrial nature. A contract was recently concluded in Italy with a well-known firm that engages in the construction of "turnkey" modern meat processing plants. It helped the Orgeyev canning factory in arranging a contract for the delivery of a line for the production of canned beef, food, and good contracts have been arranged in light industry with Italian, German, and Israeli firms. At the present time, a whole sheaf of contracts and agreements is being worked on with firms of foreign countries.

[Zamura] How do you see the prospects for Moldova's foreign economic activity?

[German] It is necessary for us to find out ourselves our own economic niche in the world process. It is necessary to show ourselves as an independent and sovereign state. But bold and decisive steps are necessary for this. And

not make Moldova a zone that is favorable for international trade, a bridge between the East and the West? Create favorable conditions for foreign investments and joint production in private arrangements and at the state level, attract capital here...

[Zamura] A distinctive Hong Kong?

[German] And why not?

[Zamura] We need the West. But does the West need us?

[German] Recall that the United States did not plan to open up a mission here. But, afterwards, it did it in two weeks. Maybe it saw something from a satellite. Geographically, Moldova is situated conveniently—there is the prospect of Black Sea cooperation and access to the CIS countries. A number of states are interested in our agricultural products.

[Zamura] You are a member of the family of President Snegur. In meeting with you, people always remember this. What kinds of feelings does this arouse in you?

[German] A sense of awkwardness over the impoliteness of those for whom I am an object of painful curiosity. They are by no means linking any of my successes with my personal qualities...

[Zamura] How old are you?

[German] Twenty-eight.

[Zamura] What contributed to your diplomatic career?

[German] If it is influence—in the good sense of the word—then it is not Mircea Snegur, but Mircea Druc. I returned from Kiev with the diploma of a graduate of the Institute of International Relations, after postgraduate study, and soon received the position of adviser to the then-premier for relations with Anglo-Saxon countries. At that time in governmental circles, a group of like-thinkers had begun to come together, specialists in the sphere of foreign policy. With my participation, the Moldova-West company was created. But the Americans shied away from us, when political petty intrigues started that it did not understand...

[Zamura] At that time, you still were not...

[German] I was still not acquainted with my future wife.

[Zamura] How did you become acquainted?

[German] My colleague was a friend of her brother...

[Zamura] The cabinet changed—and you continued to implement your ideas?

[German] The role of an adviser on the staff of Muravyschi's cabinet was qualitatively different. It became more interesting. But the foreign relations problems, as before, were being resolved with difficulty.

[Zamura] You did not attempt to take advantage of the influence of your father-in-law?

[German] I never overstepped the boundary that separates official from family relations. You will agree that this is not proper.

[Zamura] Would you not like to work abroad?

[German] I have a good command of English, and my wife, of several languages. But I would prefer work in Chisinau. I participated in the creation of the ministry "team," and I am not indifferent to its fate...

[Zamura] You spoke of the fact that you have been threatened. Could you withstand physical violence?

[German] At one time, I was a member of the republic's track and field team. Later, I participated in weight lifting, sports shooting, wrestling, and sailing.

Ukase on Private Taxing of State Property

925D0734A Chisinau NEZAVISIMAYA MOLDOVA
in Russian 10 Sep 92 p 1

[Ukase issued by the president of Moldova: "On Private Taxation"]

[Text] In order to implement the Republic of Moldova Law "On Privatization" and in accordance with Article 10 of the law, I hereby **decree** the following

1. A private tax shall be introduced in the Republic of Moldova amounting to one percent of the value of property acquired from state property ownership, including shares.

This private tax shall be a one-time payment, to be levied and collected upon the acquisition of the state property involved, including shares, regardless of the type of assets or funds being used, and it shall be channeled into the appropriate budget (depending upon the kind of subordination of the entity being privatized)

Payers of the private tax shall comprise citizens of the Republic of Moldova and those legal entities, of the Republic of Moldova who have the right to acquire property belonging to the state, as well as those foreign legal entities, and natural persons who are able to acquire facilities of state property for convertible currency

2. The following points shall be established

responsibility for the correctness of computing the private tax and paying it on time shall be assigned to and reside with the payer.

monitoring controls on the introduction of this tax into the budget shall be exercised by the Republic of Moldova's tax organs.

3. Orphaned children, children residing in children's homes and maternity homes shall be exempt from paying this private tax

The present Ukase shall enter into force beginning on the day it is signed.

[Signed] Mircha Snegur, president of the Republic of Moldova
Chisinau, 8 September 1992

Ukase on Stabilizing Finances in Enterprises, Institutions

925D0734B Chisinau NEZAVISIMAYA MOLDOVA
in Russian 10 Sep 92 pp 1-2

[Ukase issued by the president of Moldova: "On Measures To Stabilize the Financial Status of Enterprises and Organizations and To Improve Financial Discipline in the Economy of the Republic of Moldova"]

In order to stabilize the financial status of this republic's enterprises and organizations, as well as to normalize the calculation of accounts and payments in the economy, I hereby **decree** the following:

1. It is recommended that the National Bank of Moldova and the commercial banks—in conjunction with the ministries, state departments, enterprises, and organizations—conduct an intrarepublican accounting of the mutual or reciprocal indebtedness as it stood on 9 September 1992.

The following shall be permitted to take part in this accounting: all state enterprises and organizations, kolkhozes, interfarm enterprises under the Ministry of Agriculture and Foodstuffs, as well as consumer-cooperative enterprises and organizations.

2. In case of necessity, the National Bank of Moldova shall be permitted to introduce appropriate corrections and adjustments in the normative economic indicators of the commercial banks.

3. Credits to be granted in accordance with Paragraph 1 of the present Ukase shall be utilized by enterprises and organizations solely for paying for accounting documents for goods and services, operations which have been performed or carried out out (with the exception of capital investments), and for payments into the budget.

Funds which have been received during the course of conducting the accounting for the Ministry of Finances shall be utilized for amortizing the overdue indebtedness of the budgetary institutions with regard to their current outlays and expenditures.

The credit balance of enterprises and organizations resulting from the above-mentioned interrepublican accounting shall be directed and channeled into amortizing the indebtedness of enterprises and organizations in accordance with intrarepublican accounting (as of 1 March 1992) and the interstate accountings of mutual or reciprocal indebtedness, into amortizing the credits for fuel and other purposes which were issued under a guarantee from the Ministry of Finance and extended in 1992, and for the remaining part—into amortizing the overdue indebtedness in current accounts as well.

4. Granting credits in accordance with Paragraph 1 of the present Ukase shall be carried out with the collection by the commercial banks of a 25-percent annual interest rate for three months.

5. Ministries, state departments, enterprises, and organizations shall determine and specify—prior to 15 October 1992—their need to increase their working capital in accordance with the methodological instructions of the Ministry of Finance, and—prior to 15 November 1992—they shall conclude with the Ministry of Finance and its organs agreements on granting targeted state credits for supplementing their working capital for a term of up to two years at a floating credit rate amounting to 10 or more percent.

The Ministry of Finance shall ensure the deduction and entry of the credit for supplementing working capital into amortizing the indebtedness of enterprises and organizations with regard to the intrarepublican and interrepublican accountings prior to the expiration of the time period indicated on Paragraph 4 of the present Ukase.

6. The government shall introduce a proposal on freeing in 1993-1994 the profits of enterprises and organizations to be directed and channeled into amortizing credits received for supplementing working capital from the tax on profits.

7. Funds for targeted state credit shall be transferred by the National Bank of Moldova—on the basis of a credit agreement—to the Ministry of Finance into a special, off-budget account and shall be relegated to the Republic of Moldova's domestic debt.

In order to implement the measures provided for by the present Ukase, the National Bank of Moldova shall be granted the right to issue money in case there are insufficient resources available.

8. The sum total of credits for the intrarepublican accounting not amortized by the targeted loans for the purpose of supplementing working capital shall be provided with guarantees by the Government.

The Ministry of Finances, in conjunction with the National Bank of Moldova, shall determine and specify the procedure for implementing the above-indicated guarantees.

9. It shall be established that—beginning on 1 October 1992—a penalty fine for the republic's enterprises and organizations for making their payments too late to the accounts shall be collected in the amount of 0.2 percent for each day that such payments are overdue.

10. Interbanking, intraurban accounting operations shall be carried out not more than three days from the day on which sums are deducted from the accounts of payers, whereas—for the city of Chisinau—this shall be done within a time period of not more than four days. In case the above-indicated time periods are violated, and upon a demand from the consignee, the banks or clearing

centers shall pay a penalty fine amounting to 0.5 percent of the total sum being transferred for each day that it is overdue.

It is recommended that the National Bank of Moldova—in conjunction with the Ministry of Economics and the Ministry of Finance within a month's time work out and approve norms for clearing operations among the republic's commercial banking institutions which are located in various populated centers, taking into consideration the method of organizing the accounts and the clearing operations and bringing them to the attention of the economic and business entities concerned, while retaining the measures of liability for violating the time periods provided for by the present paragraph.

11. Prior to the introduction by Parliament of appropriate changes, amendments, and additions to the Republic of Moldova Law dated 24 January 1991 and entitled "On the Procedure for Applying in 1991 on the Republic of Moldova's Territory the USSR Law Dated 13 June 1990 and Entitled 'On Taxes from Enterprises, Associations, and Organizations,'" it shall be established that the profits in excess of the profitability limits—to be taken into consideration when applying the tax rate—beginning on 1 July 1992, on products sold within the borders of this republic, shall not be subject to increased taxation.

12. Ministries, state departments, enterprises and organizations—in conjunction with the National Bank of Moldova and the commercial banks—shall take urgent measures in order to carefully organize the accounting and filling out the proper forms in the proper manner for obtaining credit to supplement working capital.

13. Responsibility for organizing the implementation of the present Ukase shall be assigned to A. Sangeli, the prime minister of the Republic of Moldova, and to the leading officials of the ministries, state departments, enterprises, and organizations.

14. The present Ukase shall go into effect on the day on which it is signed.

[Signed] Mircha Snegur, president of the Republic of Moldova
Chisinau, 8 September 1992

Detailed Statistics on Rising Unemployment

92UN21394 Chisinau NEZAVISIMAYA MOLDOVA
[Russian] 4 Sep 92 p. 2

[Report by Moldova Press: "Unemployment Is Rising: A Problem"]

[Text] The recession which is taking place in the development of this republic's economy is substantially exacerbating the problem of unemployment among the population. There is a reduction in the number of employees in the public sector, an increase in the number of persons

not engaged in labor activities, and a rise in the number of persons who have acquired the status of unemployed.

According to data from the State Department on Statistics, in 1991 this republic's economically active population was estimated at 2,463,000 persons, or 56 percent of the total population. In all spheres 2,216,300 persons were employed, of whom 1,792,000 were in enterprises and organizations; 146,400 were young people enrolled in programs of study with a break from the production line; 277,400 persons were engaged in private farming and individual labor activity. The number of persons engaged in domestic occupations, e.g., housekeeping (including women on leave for the purpose of caring for their children) and military-service personnel amounted to 247,000 persons—10 percent of the labor resources.

It should be noted that many persons who do not have permanent occupations would like to acquire one; moreover, the dynamics of these indicators have a tendency to rise. As of 1 January 1991, there were 3,900 persons registered at the employment centers as being without labor activity; as of 1 January 1992 this figure had reached 16,800; and as of 1 July of the current year, it stood at 20,000 persons.

A comparison of the indicators from various different sources of information and a sociological survey or study which was conducted attest to the fact that not all unemployed persons register at the job-placement services. Thus, according to data from enterprises and organizations, during the first six months of this year discharges and retirements exceeding hirings by 39,900 employees. During this same period 23,300 persons turned to the employment services for help. A lack of desire on the part of many unemployed persons to turn to the job-placement services or a lack of knowledge about their activities has brought about a situation whereby not all the unemployed have recourse to the above-mentioned state services. Serving as eloquent testimony to this is the survey which was conducted. To the question: "If you needed a job-placement service, which variant would you choose?" 39 percent of those polled replied that they would look for job on their own, 26 percent answered that they would turn to their relatives and acquaintances for help, 19 percent had difficulty responding, and only 15 percent would turn to the labor exchange or job-placement service.

It should be noted that it is quite difficult to solve problems of job-placement: Only one out of every four persons who turned to these services was able to land a job. Job placement is particularly difficult in the case of women: Only 18 percent of women applicants landed jobs (among men this figure was 35 percent).

The disruption of economic ties and the decrease in production volumes have led and are leading to a reduction in the number of employees. In 1992 [sic]—due to a reduction in force—12,200 employees were discharged or laid off from enterprises and organizations. During the third quarter of 1992 it has been proposed to let

another 11,800 persons go. In toto, by the end of the year (according to estimates) the number of persons not engaged in labor activities will amount to 50,000 persons.

Despite the exacerbation of the problem of employing the population and the increasing complexities with regard to job placement, the Republic of Moldova has not yet worked out or approved a program for creating and expanding jobs, converting enterprises, or retraining personnel. During the first six months of this year, of those persons not engaged in labor activity, only four persons were sent to vocational training. Due to the present difficulties, the existing enterprises and organizations are not planning to expand their production. In all sectors of the national economy during the third quarter it has been proposed to create only an additional 493 job slots—a figure which would be able to satisfy only 2 percent of those persons desiring to work. But the need for manpower, as reported in the employment services at the present time, amounts to 1,800 persons, of which 1,600 are workers.

At the end of 1991 the status of "unemployed" was officially introduced in Moldova. As of 1 January of the current year, 78 unemployed persons were registered; as of 1 August, their number amounted to 900 persons, of whom 73 percent are women. In the rural areas there are 65 unemployed persons.

Along with overt unemployment, there is also the so-called "covert" or "hidden" unemployment, the scope of which is hard to determine or define. At many enterprises and organizations the practice of a part-time work week or a part-time work day has become widespread. Additional days off are being officially established for entire collectives. Lengthy leaves with administrative permission but without pay are becoming very prevalent.

The facts cited above attest to the complex situation and the alarming trend toward a worsening problem of gainfully employing the population.

KAZAKHSTAN

Nazarbayev as Next USSR President Assessed

92US0864A Moscow KURANTY in Russian
15 Sep 92 p 4

[Article by Viktor Bondarev: "Nazarbayev—USSR President?"]

[Text] Kazakhstan's president is a serious politician and does not waste words. It is unlikely that his remarks regarding the need for a new union of the former republics are groundless and do not reflect political processes. So perhaps it may come to this: Nazarbayev—USSR president?

In order to determine and evaluate the prospects for a new union, it is necessary to finally sort out why the old one disintegrated. This still has not been done. There is something deeply mysterious in that last year's chain of events. Yes, some former republics—or, to be precise, their politicians—had been persistently fighting for independence. But Ukraine, Belarus, and the entire Central Asia were almost kicked out of the USSR; the way they attained their independence was like receiving an unexpected New Year's gift—without effort or sacrifice.

The USSR had been crumbling for years, and some people were predicting its collapse long before December. Still, its complete collapse was a surprise for many, perhaps almost everyone. If we recall how it all took place, it is hard not to be amazed at how easily a mighty country collapsed. Especially considering the results of the March referendum where the overwhelming majority of the population supported the preservation of the USSR.

Eight republics quite definitely intended to stay as one confederative state. If we recall that the preservation of a unified state also was in the interests of the omnipotent military-industrial complex, as well as the rest of the industry, plus the army, we face a riddle: Is it possible that the few Russian democrats and fairly powerless Ukrainian nationalists turned out to be so powerful that they crushed such a force and pulled down the whole country? How did they manage to accomplish this? After all, the need to preserve economic links is obvious for everyone, as well as the impossibility of dividing up the nuclear weapons, fleets, and many other items. Therefore I would dare say that behind the apparent spontaneity and irrationality there was a certain—perhaps not always completely conscious—but quite logical line of political behavior.

This is especially clear when one considers Ukraine, where on the third day after the failure of the putsch the deputies voted for independence, which actually predetermined the subsequent disintegration of the country. A year ago the Ukrainian democrats counted it as their victory over the fallen Communist Party, while the Russian democrats were flabbergasted over such an outcome, since prior to that Ukraine had not manifested

such a strong itch for sovereignty. Time, however, put everything in its place, and today the causality of what happened then is clear.

I believe that the main reason for the disintegration of the USSR, and first and foremost for Ukraine's secession, was the Ukrainian nomenklatura's protest against the democrats taking the power in Moscow. Naturally, the party nomenklatura perceived Yeltsin, Popov, and the other Russian democrats as the No. 1 enemy, whose victory held mortal danger for them. They saw an enemy not in Russia, as it was presented later—they saw it in the democratic forces that took power under anticommunist banners. Sensing mortal danger, the Ukrainian nomenklatura chose union with local nationalists by flocking under the latter's banners. The party apparatchiks quite logically assumed that fighting a democratic Moscow would be much harder than fighting their own national-democrats. The subsequent course of events showed that their calculations were correct. Having separated from Russia, the former Ukrainian communists headed by Kravchuk completely took social processes under their control, pushed aside the prominent national-democrats, and thus solved the problem of their own survival.

The process of secession in other republics that intended to join the SSG [Union of Sovereign Republics] was similar, although less intense. In Central Asia the nomenklatura completely preserved its control over the situation, although it was also afraid to separate from Russia for economic, political, and military reasons. At the same time, the union of authoritarian regimes with democratic power in Russia was clearly leading towards activation of local national-democratic forces supported by the Russian intelligentsia.

Thus, staying in a unified state presented a danger for authoritarian regimes, for the power of the partocracy. Neither was union with "Central Asian communists" very desirable for the Russian democrats—considering the obvious disparity of political platforms. The Russian democrats would have preferred to enter some sort of union with the democratic—as they seemed then—Baltic republics rather than with the debris of the communist empire. Besides, the economically backward republics were perceived by society as consumers of priceless Russian resources, that is, as parasites.

Thus, the main reason for the Belovezha and subsequent treaties was rebellion on the part of the partocracy in the republics against the advent of democracy.

The scuttlebutt that Yeltsin and his colleagues have brought the country to collapse does not reflect the truth. It was the party nomenklatura's desire to preserve its positions that led to the collapse of the USSR.

Why then did Russia not collapse? The party nomenklatura of the former autonomous republics more adequately appraised the situation and realized that the Moscow democrats were not all that dangerous, and thus chose union with them rather than struggle

for independence. Although in some places, for instance, Tatarstan, events did move along the "union" scenario. Only the softening of the Russian leaders' positions towards the "autonomous" nomenklatura and their backing off the fight against local communist elites calmed the apparatchiks and reconciled them to the new Russian authorities.

Why then do we hear increasingly often calls for the creation of a new union? Of course, economic reasons remain, since everybody has a need to preserve economic ties. Among the new arguments one may list the dramatic situation in Tajikistan: The current Central Asian leaders have clearly discovered that they will not survive without a union. Russia, for its part, is not interested in having Central Asia turn into a hundred new Karabakhs. Besides these obvious reasons, however, there are others.

First and foremost, the former partocracy has found that the Russian authorities also by and large consist of the nomenklatura, and therefore should not be feared. The improvement of relations with Ukraine stems from the same premise—the two nomenklaturas have understood that there are no principal differences between them and that the Russian democrats are not a threat to the Ukrainian nomenklatura. At the same time there is a considerable communality of interests: preservation of power and stability in the economic sphere, as well as in the political one. And the Russian democrats realized that wherever communists are replaced by national-democrats there is one massacre after another: the Dniester area, South Ossetia, and now Abkhazia and Tajikistan. It is better to be friends with, for instance, Karimov, than wait until the Uzbek Muslim "democrats" spill blood all over another part of one-sixth of dry land. All of this leads to the conclusion that conditions are ripe for new attempts at integration on the territory of the former USSR.

After last December Gorbachev was probably the only person who persisted in saying that a new voluntary union of sovereign republics was needed. The red-browns also demand the restoration of the Union; they, however, continue to stupidly bet on force, which is obvious madness. As to Gorbachev's persistence, it was perceived as a retired politician's fancy. During the latest congress of Russian deputies, however, everybody was crying about the disintegration of the Union, regardless of political coloration. Now many are talking about the need for reintegration. Even one of Azerbaijan's leaders started talking about new forms of organizing a common living for peoples that had lived together for centuries. The most radical statement, however, came from Nazarbayev, who directly raised the issue of the need for unification within a framework other than the CIS.

As is known, all our politics rest on individual personalities. It is not parties but rather political figures that unite supporters around them and start doing something. Therefore all the talk about creating a new Union will remain just talk until it becomes clear who will head this

new state union. If, for instance, Nazarbayev becomes the future head of the Union of non-Soviet, non-Socialist Republics, the process will have a chance of succeeding. Other options are possible, however, including some that are exotic.

In our circumstances a definite forecast is impossible. However, to foresee general trends we can use the pendulum principle: If at some point in time one point of view prevailed or one type of process was underway, some time later everything will be exactly the opposite. During this year most democrats have shifted over to patriots. Two years ago everybody wanted to sell the Kurils, while now the reverse is defended just as energetically. It is not hard to foresee that if the process of restoration of the Union gains momentum, it will turn out that this is exactly what everybody was dreaming of.

There is a ghost wandering around the CIS—the ghost of the USSR!

Nazarbayev's Activity in Europe Assessed

93US0012A Moscow LITERATURNAYA GAZETA
in Russian No 41, 7 Oct 92 p 9

[Article by special correspondent Aleksandr Samoylenko: "'Kazakhstan Is No Poorer Than France' Nursultan Nazarbayev Astonished and Delighted Europe"]

[Text] Bonn-Paris-Alma-Ata—Nursultan Nazarbayev has carved out his own window to Europe, having signed in Bonn and Paris friendly political accords and intergovernmental agreements on the protection of investments.

In addition, he has "brought back" to Kazakhstan 6,000 Mercedes and two plants of the same firm—for the manufacture of buses and trucks—DM1 billion and a contract with the French firm Bouygues for the construction in Alma-Ata of the residence of the president of the republic.

But Nazarbayev did not go to Paris and Bonn for Mercedes and fashionable offices, of course. Y. Shcherbakov, adviser to the president of Kazakhstan on foreign investments, believes that N. Nazarbayev flew to Europe for Kazakhstan's future: "You can obtain credit and immediately slap it on the counter, purchasing noodles and shirts, as Russia frequently does. Kazakhstan at the very least feeds itself, and it has a chance to channel currency into the modernization of industry." As Nazarbayev is doing. His main purpose, however, was not even credit but investments and joint business.

In confirmation of this Nazarbayev twice uttered in Paris a very bold phrase: "Kazakhstan is no poorer than France!" which snocked many people, the Russians primarily. But it should not have. Kazakhstan is richer than France. But—potentially... the legend of the republic's fabulous wealth is as before dazzling even a fool. Many people in Kazakhstan still naively believe that

will be easy to make a second Kuwait of the republic. Such visits wash off the rosy coloring from the legend, beneath which is the bitter reality. It is that Mendeleev's Table ("We have everything!") lies in the earth, and it can be recovered with the aid of, let us say, Chevron or British Gas. But this also is insufficient. For trading in raw material foreign currency, favorable legislation, and simple and flexible commercial structures, which Kazakhstan lacks as yet, are necessary. But, however surprising, all this is being compensated very successfully by N. Nazarbayev, whom LE FIGARO termed the stabilizer on the ruins of the empire. Pragmatism, responsibility, and a secular philosophy are making Nazarbayev's policy entirely convertible in the West.

Bonn and Paris showered on him an avalanche of compliments. "Your reformer's courage is admirable." "Under your farsighted leadership Kazakhstan is becoming the political center of the CIS," "You have a determining role in the former USSR"... It was sometimes hard to catch the line between a compliment and outright flattery. But, as is known, not just anyone is received in the "capital of the world," and he is not praised just for the sake of it. The main reason for the cordiality is rather (this is the conclusion of experienced Parisian observers) the fact that respectable, calculating, and cautious Europe today has no one to back in the CIS. Both Germany and France need a man of stature who could speak in Europe "on behalf and at the behest of" and clearly, honestly, and competently explain the essence of what is happening in the CIS. To judge by the statements of Helmut Kohl and Richard von Weizsaecker and Francois Mitterrand and Jacques Chirac, Germany and France have made the choice of such a person from the CIS.

As distinct from the politicians, the industrialists and financial experts of these countries spoke with the president of Kazakhstan more austere. They are prepared to do business in the republic, but how, on what terms? At what price and in what way will gas, oil, and metal be delivered to Europe? What are the safeguards for private capital?

According to Hans-Peter Stiehl, president of the Joint Chambers of Trade and Industry of the FRG, Kazakhstan has an opportunity to become the "economic center of Central Asia." In this sense German businessmen have a distinct sense of direction. But when they forcefully inquire after the legal conditions for businessmen in Kazakhstan, percentage profits, tax policy, the protection of investments, and sundry "reference" information, this testifies primarily not so much to a desire to immediately move their capital into the republic as to the fact that Kazakhstan is terra incognita for both Germany and France. Given such an information vacuum, joint business is simply impossible. In Paris a diplomatic officer who had been preparing N. Nazarbayev's visit told me that he had entirely by accident come across the following wording in working documents of a French company (already printed): "His Excellency the President of the Republic of Kazakhstan

Mr. Nabiyeu." And the president of the CIS International company declared with an aplomb which astonished his audience that cooperation prospects were altogether unclear for the French since Kazakhstan lacked a currency exchange and its own currency and... industry. Nazarbayev had to deliver a popular lecture on the inexpediency of the introduction at this time of the tanga and on the existence in the republic of both a currency market and a very strong industry.

Only E. Reuter, chairman of the board of Daimler-Benz AG, who revealed a most serious approach to Kazakhstan, which was immediately expressed in commercial agreements, proved up to the mark. The firm will supply the Kazakhstan market with 6,000 passenger Mercedes (used, but having been extensively overhauled on the assembly line) and organize in the republic the manufacture of passenger buses and light trucks.

There are no French in Kazakhstan, and it was easier conversing in Paris, although no one in the FRG made the success of the negotiations dependent on the so-called German question in Kazakhstan. But everyone, both the chancellor of the FRG and Germany's business circles, unfailingly touched on this problem. And its essence is that the migration flow of Kazakhstan Germans is growing. Germany, however, is overcrowded, and, in addition, the south of the country has of late been covered by a wave of refugees from Yugoslavia. And, additionally, the collapse of the Berlin Wall, behind which the West Germans have discovered, aside from their compatriots, a mass of problems. Naturally, the German authorities have a keen interest if not in the termination then at least in an easing of the migration flow from that same Kazakhstan. This is the pragmatic view. But there is also pain for the calamitous position of Germans both in Russia and in Kazakhstan.

The FRG is prepared to participate in an improvement in the life of the Kazakhstan Germans and has given Kazakhstan DM1 billion for this noble cause. But... Giving this DM1 billion only to the Germans is practically impossible and politically impermissible. Kazakhstan society would not accept the uninational assimilation of R160 billion (at the present rate of exchange). The money will, of course, be channeled into areas of the Germans' compact residence, but all that can be created for DM1 billion will be the equal property of all citizens of the republic.

Not everyone here will understand why the FRG, having allocated Kazakhstan the enormous resources, is not insisting on an exclusively German address for their investment. It is particularly unclear to those who are doggedly advocating uninational priorities. For Nazarbayev it is obvious: The world community will accept Kazakhstan only as a civilized secular state. Realities, on the other hand, indicate that turning all citizens of the republic to face the window onto Europe will not be the easiest task for the president of Kazakhstan.

Nazarbayev Founds Union of Industrialists, Entrepreneurs To Aid Economic Recovery

93US0002A Moscow NEZAVISIMAYA GAZETA
in Russian 26 Sep 92 p 1

[Article by Sergey Kozlov: "Nazarbayev Creates His Own Party: Perhaps It Will Be Something More Than a Party"]

[Text] After the disappearance of Kazakhstan's Communist Party, Nursultan Nazarbayev, as is well-known, "liberated" himself from the "obligation" of belonging to any political organization at all. Pro forma he remains that way—free of any "people's" or "national" fronts and elevated to Kazakhstan's highest state post solely by the manifestation of its people.

The fully explicable logic of the oriental mentality led certain citizens of the new state to the idea of finally designating the president as a "khan," thus adding an attractive national coloring to Kazakhstan's political facade. The first such proposal was made by M. Orazayev, an instructor from Alma-Ata, in the newspaper YEGENENDI KAZAKHSTANA in a discussion of the draft of the new Constitution. It was proposed to designate the heads of the oblast administrations as "sultans," and the rayon heads as "beys." Readers are now discussing this matter with great interest. "Will Nazarbayev become the first nationally elected khan?" the local weekly ABV has asked humorously.

But it seems that Nazarbayev is not overly excited about this change of title; he is much more worried about the steadily progressing disintegration of Kazakhstan's economy. Suffice it to say that the budget deficit for next year has already been determined to be 140 billion rubles, i.e., 8 percent of the value of Kazakhstan's Gross National Product, even though it is a known fact that hyperinflation has already become untwisted at 6 percent.

Having become convinced of the idealism of the recommendations of the renowned Doctor Beng, and not sharing the radicalism of Yavlinskiy, Nazarbayev has called upon new advisers, nowadays even some from Turkey and Pakistan. And—at the same time—he has proceeded to form a social and administrative bulwark of support to carry out the new economic program—a "deepening of the reform, calculated to extend for three years."

The president's team started to construct this bulwark of support directly at the end of August, when a constituent conference of a new public organization—the Union of Kazakhstan's Industrialists and Entrepreneurs (SPPK)—was convoked at the residence of this republic's head. The final "finishing touches" were completed efficiently within three weeks: The First Congress of the new substantial organization was held; and—as President Nazarbayev himself stated in his speech there: "In the future, if we wish to build the economy toward which we are heading, power must be transferred to the property owners. Everything—both the parliamentary and the

executive branches; otherwise nothing will come of it. I recognize this and will lead matters in this direction."

But it must be noted that the "process began" not at the end of this August. Whereas two and a half years ago Nursultan Abishevich decisively rejected the emergence of the "new bourgeoisie," within a year he had begun to speak about the old bureaucracy's opposition to the reforms, and he called upon the Union of Peasants and Farmers to help him overcome these conservatives. And then, as early as last October—at the Congress of the People's Congress Party—the president made a serious speech about creating a new social class, one for which the "reforms would be a vital matter."

And so this class is being formed and—at the same time—is being politically organized. Oleg Soskovets, the first vice-premier of the Kazakhstan government, has become the head of the new Union. The team has been drawn up from among the leading officials of Kazakhstan's largest industrial associations and enterprises.

It is customary in Kazakhstan to designate political associations by the "names" of their leaders. There is Anuar Alimzhanov's party—a socialist party, Olzhas Suleymenov's party—the Kazakhstan People's Congress, and now—finally—Nursultan Nazarbayev's party has appeared anew. Its "activists" have already proceeded to give expert advice to the government's programs in order to correct them and head them in the necessary direction.

Kazakhstan Animal Husbandry Discussed

Pre-Winter Preparations

934A0005A Alma-Ata SELSKAYA NOV in Russian
No 38, 18 Sep 92 p 2

[Article by Anatoliy Zhvanko, division chief, Ministry of Agriculture: "Winter Must Come: Timely Recommendations"]

[Text] Recent times have been unfavorable for this republic's livestock raising due to the severe drought last year as well as the disruption of previously existing economic ties. The livestock emerged from the past winter season in a weakened condition. At present, however, most of the cattle, sheep, horses, and camels are well-fed. And this provides hopes for successfully conducting the upcoming winter season.

The effectiveness of operations during the stall period depends to a large extent upon the full-valued feeding of the livestock. Full and optimal use of feeds ought to be at the center of the collectives' attention at all livestock-raising farms. Each farm must determine and specify that complex of measures which will allow the greatest yield from the feeds. The correct balance of rations with regard to nutritional substances is a guarantee that the planned level of livestock productivity will be attained with an economical outlay or use of concentrated feeds.

Departure from this rule inevitably leads to a reduction in the milk yields, added weights, and wool productivity.

Maximum attention must be paid to processing the feeds, enriching them with vitamins, minerals, and protein additives. During the course of the winter season livestock breeders will have to process 39-40 million tonnes of feeds, including 15-16 million tonnes of coarse feeds. Some 12-13 million tonnes of feeds can and must be prepared in the form of mixed feeds. For this purpose our republic's farms have 3,500 feed shops and feed kitchens, of which more than half are in need of repair. However, this work is not yet being carried out in a satisfactory manner.

For the most part, the republic's farms are fairly well provided with livestock-raising areas. Nevertheless, just as before, there are not enough birthing sections, clinics for calves, or winter shelters for lambs. The shortage of such areas could now be made up for by re-outfitting those facilities which have been freed up due to the reduction in the head of livestock. Moreover, we must strive to bring about a situation whereby the birthing sections and clinics utilize the "Empty-Occupied" system, which prevents diseases among the young animals.

The repair and preparation of livestock-raising facilities, along with their whitewashing and disinfection, are proceeding extremely slowly. In order to speed up repair operations, we must make extensive use of local building materials; in each farm we must create specialized brigades and organize their precise work.

We need to pay particular attention to creating a microclimate at the centers. Many years of scientific research and operating experience at farms have shown that merely by improving the conditions under which livestock are maintained we can reduce their incidence of tuberculosis by a factor of 3 or 4, increase their milk yield by 8-16 percent, and their daily average weight gain by 20-40 percent. Thereby the service life of buildings is doubled, and the people's working conditions are improved. Outlays on creating a microclimate pay for themselves in short order.

In order to organize the fattening-up process during the autumn and winter periods on this republic's sovkhozes and kolkhozes, there are 1,976 fattening areas for cattle, with places for 1.1 million head of cattle, as well as 663 areas for 2.5 million sheep, and 87 areas for 18,000 horses. At the present time the pasturing period is basically finished and over. All the grazing herds of cattle must be reformed and placed in areas where their intensive fattening-up process may be organized so that they will put on a daily average of at least 800 grams of weight. Sheep and horses must be placed in the fattening-up areas by the end of September.

Serious attention must be paid to organizing the watering of livestock. Livestock-raising farms and winter pastures must bring to a condition of readiness 20-21,000 tubular wells (pits), 16-17,000 shaft-type wells,

and about 7,000 truck-mounted water-carriers, as required for outfitting watering places from natural water sources or springs.

Nor must we forget about the conditions for the livestock breeders themselves during the course of preparing for the winter season. The leading officials and specialists at the agricultural organs, sovkhozes, and kolkhozes, must accord maximum attention to the problems of creating the best possible cultural-everyday conditions for the people involved here. The repair and preparation of housing, medical centers, rooms for rest and recreation, dining-halls, cafeterias, and snackbars, stationary and mobile bathrooms, mobile movie theaters, trade centers, car washes, and facilities for trading in the basic necessities—all these are very important matters and must not be postponed.

And there is more. Livestock raising is experiencing a great shortage of personnel. That is why—after field operations have been completed—we must intensify our organizational work on channeling machine-operators and field-workers into livestock raising. Informal attention is required for upgrading the skills of milkmaids, cattle herders, shepherds, swineherds, and in organizing zoological veterinarian training.

The support and development of creative initiative among livestock breeders in the cause of increasing the productivity of all types of livestock and poultry, obtaining the maximum yield from every kilogram of feed, will help us to raise the standards of production and to ensure the full maintenance and preservation of head of livestock during the upcoming winter season.

Commentary on Law on Veterinary Activity

934410005B Alma-Ata SELSKAYA NO1 in Russian
No 38, 18 Sep 92 p 2

[Commentary on Draft Law: "On Veterinary Activity"]

[Text] The Republic of Kazakhstan Cabinet of Ministers has approved the draft Law "On Veterinary Activity," as presented by the Ministry of Agriculture and coordinated with the ministries and departments involved, and has resolved that this draft be introduced for examination and consideration by the republic's Supreme Soviet. Today we will acquaint our readers with the principal provisions of this draft Law.

The preamble states that the present Law establishes a unified, integrated system, basic principles, general legal, economic, social, and organizational grounds for veterinary practice in the Republic of Kazakhstan in the interests of safeguarding the health of animals, livestock, preventing diseases which are common to animals and human beings, obtaining livestock-raising products which are safe from the veterinary point of view, and the social protection of veterinary specialists.

The draft Law contains eight chapters or sections. They define and specify the organization of the veterinary

service, the leadership of veterinary activity, the competence of this republic's Main State Veterinary Administration, the veterinary divisions (associations) at the oblast and rayon levels, the safeguarding of health and the struggle against animal diseases.

As written in the draft, veterinary care in this republic shall be carried out by the state veterinary service, which combines the organizations and institutions under the Republic of Kazakhstan's administrative organs, the veterinary divisions of the state administrative organs under the oblast, city, and rayon administrations, the organs of state administration, in transport, at the state border and Armed Forces, and the organs of veterinary monitoring controls at enterprise, in processing and preserving livestock-raising products.

The organs of the state veterinary service shall exercise their own functions with regard to all enterprises, organizations, institutions, and farms, regardless of the forms of property ownership.

The work of veterinary specialists who have obtained official permission and the right to engage in this activity at enterprises and in organizations with regard to special veterinary matters shall not be under the monitoring controls of their administration.

The tasks assigned to the veterinary service shall include the prevention of and struggle against animal diseases, monitoring controls on the production of livestock-raising products and processing raw materials of animal origin, and safeguarding the republic's territory against the entry of infectious animal diseases.

Moreover, the vertical service is to work out general-state and local regional programs for preventing the entry and spread of quarantine-type and particularly dangerous infections, as well as eliminating the consequences of extraordinary situations, exercising controls on the procurement, storage, and shipment (driving) of animals, their products and raw materials by all means of transport, including imports and exports; exercising veterinary-sanitary controls in connecting with the maintenance, feeding, and use of animals; applying expert veterinary-sanitary advice and monitoring controls at auctions, fairs, and markets in connection with the trade in animals and the products of livestock raising, apiculture, fishing, as well as products of plant origin.

In this republic the leadership of veterinary activity shall be carried out by the Main State Veterinary Administration under the Ministry of Agriculture, which—within the bounds of its competence—shall publish, based on the existing laws, orders, instructions, and directives on matters of veterinary activity, which shall be obligatory for execution by all farms, enterprises, institutions, organizations, and citizens. The chief of the Main Veterinary Administration shall be at the same time the chief state veterinary inspector, and shall be appointed by the Republic of Kazakhstan Cabinet of Ministers. He shall be directly accountable to the minister of agriculture in his work.

Within the bounds of its competence, the Main State Veterinary Administration shall have jurisdiction over the veterinary divisions (associations) at the oblast, rayon, and city levels. Moreover, it shall also have jurisdiction over state veterinary organizations, scientific and other veterinary institutions, as well as transportation and border services.

Such powers shall also be determined and specified for the oblast-, city-, and rayon-level leadership structures of veterinary activity.

The draft Law has defined and specified the competence of this republic's Main State Veterinary Administration and that of the oblast- and rayon-level veterinary divisions (associations).

Relegated to the Main State Veterinary Administration are the following functions: leading the veterinary service, establishing the system and prospective directions in developing veterinary activity, preparing acts of veterinary legislation for approval, working out the prognoses of infectious diseases and the plans for preventing them, as well as exercising the functions of certifying medicinal compounds, exercising state monitoring controls on the quality of items to be used in veterinary activity and livestock raising, registering domestic and imported medicinal compounds, issuing permits for their production and sales, directing and guiding the system of standardizing and certifying the production of zooveterinary products. Included within the competence of the Main Veterinary Administration shall be the preparation of proposals concerning the establishment and lifting of quarantines, special conditions and schedules for conducting economic activity in the veterinary field, and other functions.

The directors and other leading officials of farms, enterprises, organizations, and institutions, as well as all owners of animals and livestock-raising products shall be obligated to conduct management-type measures to ensure the health of the animals and the quality of the livestock-raising products, to observe zoo-hygienic and veterinary-sanitary requirements when building livestock-raising facilities, to present animals for inspection to veterinary specialists, upon the latter's demand, to immediately report all instances of a sudden onset of cattle plague, or of the simultaneous illness of many animals, or of their unusual behavior.

The draft Law "On Veterinary Activity" also precisely defines and specifies the procedure to be used for financing the state veterinary service, the privileges and incentives of working as a veterinary specialist, as well as the right of a chief of the Main Veterinary Administration—who doubles as the Republic of Kazakhstan's chief state veterinary inspector—to represent the Kazakhstan government in international organizations with the right to sign veterinary agreements.

The adoption of this Law will play an enormous role in improving the veterinary situation in this republic—a situation which, speaking frankly, is alarming at the present time.

TAJIKISTAN

Hardships of Russian Border Troops Detailed

*941 SMOB Moscow IZVESTIYA in Russian 19 Sep 92
Morning Edition p 3*

[Article by Vadim Belykh and Nikolay Burbyga: "Caravans of Death"]

[Text] "Not once have I ever been offered less than 280,000 rubles. And sometimes even a million, and on top of everything else, a fur coat for my wife and a Sharp tape recorder," the chief of the Pyandzh Border Outpost, Captain Sergey Shumikhin, told us. "The request is always the same—to give them an opportunity to dash over to Afghanistan and back without problems. For weapons."

We are sitting in the thick smoke-filled office of the outpost. We are waiting. The captain's eyes are red from many months of too little sleep. He will be able to rest for a couple of hours only when the dawn comes. But now it is night, the most unsettled, fighting time. It has already been reported that as soon as it got dark there was a skirmish at post No 9. Some group was trying to break through to Afghanistan. A flare on a tree was lit not far off on the other side. In response an unknown vehicle blinked its lights and rushed away. And in fact there were also events taking place in Shumikhin's area. Three armed persons in inner tubes were trying to cross the Pyandzh. A border detail spotted them and opened fire. One was presumably killed, two turned back. We did not have time to discuss this event properly. The "system" went off in the third sector and along with the border guards we had to run to our car.

"Outsiders" Do Not Come Here

"Not as many weapons are being hauled in recent days. For the most part it is ammunition: cartridges and grenades. Obviously, they were used up during the battles in Kurgan-Tyube and now they are replenishing stocks," the deputy chief of the Pyandzh Border Detachment, Lieutenant Colonel Valentin Pitsyk, was explaining to me. "In recent days we have already apprehended a total of more than 220 violators, 7 of them died in skirmishes with us and 7 were wounded. But that is just a drop in the bucket. We manage to catch somewhere around one-fifth of those who are zipping back and forth to Afghanistan for weapons. Even now, according to our estimates, there are on the order of 300 citizens of Tajikistan on the other side in the village of Kalanguzar and beyond."

The "lively" times for the Pyandzh border guards began back in May when they captured a group of 15 rebels

trying to cross the border. The next catch was some 50 people. And so it goes. Not a night passes without skirmishes and arrests. While until mid-June it was uncoordinated, unorganized groups who went for weapons, later a precise system was already observed. It became clear that the operations were for the most part painstakingly prepared, routes for crossing the border were worked out, and sham violations were arranged to divert attention. Powerful Japanese-made portable radio transmitters even appeared for the "weapons carriers" to use. Six of them were captured. They are used to talk with the Afghan side and to try to overhear the conversations of the border guards.

On the shore of the Pyandzh opposite the border detachment is the zone controlled by Field Commander Latif, who is subordinate to Gulbeldin Khokmatiar. So groups from Tajikistan, and for the most part they are Vakhkhabites [a Muslim sect], called "vovchiks" [diminutive of Vladimir], load up with tearful letters to their "brothers-in-the-faith." They ask for help "in the 70-year struggle against the communists." The letters apparently do little good and weapons are rarely given away for nothing. The couriers must haul along large sums of money in rubles and hard currency, gold, ornaments, spare parts for cars and tractors, irons, and razors to exchange. They usually cross in inner tubes, more rarely in boats.

Just on the line of the Pyandzh Border Detachment alone more than 140 weapons have been confiscated from violators in the "hot times" since May. Among them were 68 Chinese-made AK-47 Kalashnikov's, 7 Shpagin submachine guns, 21 Burr English rifles, 15 foreign-made pistols, 4 Degtyarev machine guns, carbines, 20 boxes of cartridges, 30,000 units of various types of ammunition, 247 hand grenades, and 40 rounds for grenade launchers. In addition, two 82-millimeter mortars and two recoilless weapons were captured. Let us remind you that this is only a small part of that which, despite the border outposts, people have been able to bring into Tajikistan, which is engulfed in civil war.

One by one those arrested were brought out of their cells with their hands behind their backs and their eyes covered. They were sat down in a row on a long bench. It is the "catch" for two nights: 29 people. Two of them are Afghans and the rest are mainly locals from the nearby Tajik villages who know these places well. "Outsiders" rarely turn up here. A couple of times there were residents of Dushanbe, and once visitors from Uzbekistan. Then and there we were shown the weapons which they brought with them. Contemporary assault rifles, machine guns, rifles. All of them were for the most part very old and rusted but completely serviceable. Which the violators demonstrated several times by opening fire on the border details. But that is a rarity. The "weapons carriers" try not to become engaged in battle, and surrender at the first shots. For example, 15 armed rebels in the sector of the eighth outpost, Verkhny Pyandzh.

encountered three border guard soldiers. As a result one of the violators was killed, two were wounded, and eight were arrested.

A Soldier of Failure

A formation of rather strange soldiers was marching around the training ground in a disorderly fashion calling out what appeared to be a fighting song. Unlike the other border guards dressed in camouflage, these wore old parade trousers and shirts and beat-up panamas on their heads. The soldiers were plainly out of step and had a depressed and hunted look about them.

"Just look how many of them still remain," the officer standing with us marveled.

As it turned out, we were observing the sad consequences of the attempt to enlist the local population in protecting the border. In the spring about 700 people from the republic were to be drafted into the "green caps." They got 130. Less than 70 of them remained by our arrival at the training point. The rest had "taken to their heels" long ago. So they were not issued new uniforms. If they escaped in them, how would you write them off?

They were afraid to issue the new recruits not only camouflage items, but also and even more, contemporary assault rifles, and especially ones with live rounds.

Incidentally, it is not just the locals who escape. Soldiers from Russia, Ukraine, and Belarus also abandon their place of duty when the opportunity arises. Dozens of telegrams calling for sons to attend a funeral or go to see gravely ill relatives arrive at the detachments. As a rule they do not return from such trips.

During the afternoon Sergey Shumikhin led us around his motor pool. He showed us two armored personnel carriers—the crews had escaped from both of them and the supply clerk and the cook "took to their heels." To stop the exodus somehow, the chiefs of the outposts collected the records of service from those remaining and hid them in the safes. It does not matter; they run away even without their documents.

The commanders must console themselves with the idea that the scum leaves and real, brave desperados remain. But the "real ones" really catch it. The detachments and outposts have only half of the officers and men that they are supposed to have left, and violators cross the border in mobs.

In fact you can only admire the endurance and staying-power of the border guards, who do not sleep for days and run the risk of catching a bullet at any minute. The work load is such that the dogs cannot take it and pass out. Frequently after another dash on a trail in the heat they come back carrying the shepherd dogs, who can no longer walk, in their arms.

To improve the situation somewhat paratroopers have been dropped on the Tajik-Afghan border. In Pyandzh they were immediately baptized as "humanitarian aid"

and more simply—"humanitarians." The "blue berets" had to be retrained on the run. When we came to the border, the "humanitarians" had already been serving everywhere. They were on border details, sitting in ambush, and apprehending defectors. That would seem good, but it turns out it is all relative. Mostly they sent soldiers who had already served 2 years and in a month or a month and a half would be getting ready to depart for home. So by winter a very small number of border guards will again risk remaining in proud solitude.

Strange Violators

That trip of ours with an alarm group of the Pyandzh outpost ended in failure. The violators crossed the river, crawled through the "system's" barb wire, and leaving clear tracks in the control zone, dashed to the Tajik village of Tubulak, the closest one to the border. The border guards followed them but not for long. On the outskirts of the settlement the riflemen of the "self-defense" detachment lay in wait for them.

"Go back! These are our people. They are already home..."

And then? The well-armed and trained "green caps" had to dry themselves off and head for home. The situation is so common that it is no longer perceived as anything unnatural. Clashing with the self-defense units is prohibited, unless they push directly to the border.

True, this is by no means the only strange thing involving the violators. Confusion begins with the capture itself.

The border guards institute criminal proceedings for crossing the state border. To do this they must conduct interrogations, go to the site of the event, and go through other investigative actions. The law provides 3 days for all this, and then the offender must either be released or sanction must be gotten from the local procurator to continue to keep him under guard. With such a wave of violators it is in practice impossible for the border guard investigating officers to keep it to 3 days. Even if they work a whole 24 hours a day. But the neighboring procurators use different pretexts to refuse to issue the sanctions.

And all the same, finding loopholes in the law, the suspects are not released and—after all the papers are filled out—they are sent to Dushanbe, into the hands of the republic's Committee for National Security (the former KGB). The confiscated weapons are carried with them in the helicopter so that the committee members can add the charge of smuggling to the case of unlawfully crossing a state border.

It would seem that all is well. And, when they take in the latest batch of "weapons carriers," the border guards assume that they will not encounter them again for at least about 3 years, and maybe the full 10. But, alas, they see their old acquaintances a few days later. All are released after signing a statement saying they will not leave the area. And after they return, the offenders walk

along the streets of Pyandzh calmly, stand watch with their automatic assault rifles, and again try to penetrate into Afghanistan and threaten those who somehow caught them. And the republic's Committee for National Security does not report anything to the border guards about the fate of the people and weapons they hand over to them, and they can only guess at what is going on in Dushanbe. In this situation the local security committee people who have tried to give the border guards some help have themselves gotten into trouble. Their families have had to hide. And they themselves fear reprisals, and not without reason; they hide and even sleep in a different place each night. And in such an "overheated" situation the Tajik militia has followed its newly acquired habit and declared they are "neutral."

Most border guard officers have also sent their families a little farther from sunny Tajikistan. And it is virtually impossible to meet women and children in the detachments now. But then there is an abundance of empty apartments. The bachelors-by-necessity are put together in communes so that it is more convenient to manage things. And in fact it is a little terrifying alone. Promises were made to settle accounts with all of them individually a long time ago. But fortunately it has not yet reached that point.

It is especially difficult for those men from Tajikistan who are translators with the rank of warrant officer. They are simply tormented.

In the morning we went along with the captain to see the shore where the night before the border guards had fired upon unknown persons in inner tubes. While our GAZ-66 hopped like a flea over the ruts we marveled once more at the driver's skill. In the night we had already traveled these twisting, barely visible paths on an alert, but at high speed, in the darkness, and with the lights off.

Not far from the river we stopped and then went on foot among very tall, dried-out reeds that would conceal a horseback rider. And we came to the Pyandzh.

"Move away from that open place," Shumikhin warned. "You never know, they may open fire from over there. It's better to stand behind the rocks."

"What is this, is Afghanistan right there on the other side?"

"It's about a kilometer and a half to Afghanistan from here. What you see is our island."

A tent stood on "our" island and a group of men in Eastern dress were milling around on the bank.

"The Afghans are panning for gold," the chief of the outpost explained. "It is found here in very pure form."

"On our territory?"

"So what? We aren't going to shoot at them—they're peaceful-looking people. But organizing an operation and landing there and catching them would cost us a lot

more. I have ordered as many soldiers as possible to sleep now. They will rest until evening and then start catching the ones who spend all night carrying weapons."

This border between sovereign Tajikistan and Afghanistan guarded by troops which are under the jurisdiction of Russia and made up mainly of Russians is a strange one, of course. In front of us a civil war is raging, and in fact one is flaring up behind us too. And in both places people simply hate the border guards now.

As was explained to us, there is not enough money in the entire CIS all told to move the border to the north, and if it is allowed to weaken, weapons and gangs will begin to flow freely into Tajikistan and from there further on through all the former Soviet republics. The consequences are unpredictable. And so they must hold out as long as they can.

Almost all the officers' families have left the Pyandzh Border Detachment. But the wife and children of WO [warrant officer] Kolya Movchan remain. She explained it to her husband simply:

"If you're killed, I'll perish with the three babies anyway. Where should I go? So it's better to be together."

And Kolya has another concern. He himself is from Ukraine, but his wife is from Russia. So when he is discharged into the reserves, where is he to go? And in fact where is he needed?

Mafia Role in Political Turmoil Alleged

93US0007A Moscow MOSCOW NEWS in English
No 38, 20-27 Sep 92 p 5

[Article by Asal Azamova, Dushanbe-Moscow: "Criminals as a Tool in Tajikistan's Politics"]

[Text] As power structures are growing weaker in Tajikistan, criminal structures are becoming increasingly involved in the country's politics.

Criminals Supplanting Politicians?

Ex-President Nabiyev, now in the Leninabad Region, doesn't seem to be taking any political steps so far, while doubts remain about his having relinquished the presidential powers voluntarily.

Before he was forced to resign at the Dushanbe airport, Nabiyev categorically rejected any idea of having quit of his own accord. The Supreme Soviet that can force the President into retirement under the current Constitution couldn't do that in the complete absence of its members from the Leninabad Region, which is the President's home base. Fearing harm to their image, the political parties and movements refrained from forcing the President's hand, but this was precisely, what was finally done. Who did it?

Our readers will remember that the presidential palace was seized August 31 and the President was made to sign

his resignation when he arrived at the Dushanbe airport September 7 to take a plane to Khudzhand for important talks. Those who forced his resignation are ceremoniously referred to by the current authorities as "young people of the city of Dushanbe." The authorities refuse to specify.

At the time of the seizure of the presidential palace the "young people" became dissolved amongst the refugees from Kurgan-Tyube and Kulyab and remained unidentified. Above the signatures of the ruling body of parliament and the cabinet appearing on the resignation paper were those of the "representatives of the young people." One of them was identified as the head of the protection racket of Dushanbe. The criminal structures were rumoured to have long been dissatisfied with the weak President Nabiyeu. But what happened is hardly their own handiwork, although their deeds and their demands perfectly fit the prevailing political situation.

It is believed in Dushanbe that the taking of the presidential palace and Nabiyeu's resignation came as a total surprise to the leaders of parties and movements. In fact several cabinet members were taken hostage and were rescued with difficulty. While the government and parliament were waiting, the parties and movements were criticizing the President, and politicians actively opposed to Rakhmon Nabiyeu were expertly using some criminal structures. These unidentified politicians are becoming active of late.

Strictly speaking, Nabiyeu's opponents played the same card he had once played. The President enlisted the help of criminals in spring this year, when he ordered Sangak Safarov to be put at the head of the warring Kulyab armed formations. The man had served 22 years in prison! Also that spring a number of hard-core criminals were amnestied. According to the National Security Committee, their gangs are now active in the Kurgan-Tyube Region.

War Blackmail

An uncanny war is on in Kurgan-Tyube. The commanders of the warring formations of Kulyab Sangak Safarov, Langari, Langarov and Rustam Abdurakhimov are now and then trying to intimidate Dushanbe with ultimatums to remove from the cabinet this or that member. They are usually those opposed to the President. In August the demand was to stop the broadcast calls for the five daily prayers. The commanders threatened to take control of Kurgan-Tyube unless their demands were met.

The commanders think they protect the Constitution and say they will destroy the "vovchiks"—the old KGB term for anti-Soviet Moslems. Now this term is applied to members of the Islamic Revival Party. Enmity towards the members of the party is being actively fanned. It is alleged that they are out to build an Islamic republic, and to make all women wear a paranja. Tales of atrocities committed by them are being spread around the country.

Radicalization of the Islamic movement so feared by lay intellectuals is really taking place, but that is only a result from the actions of the Kulyab semicriminal groups. It's a war where cruelty breeds cruelty.

Some people describe what is going on in Kurgan-Tyube as a war of Kulyab against Garm, while others think that the Reds are waging a war on Islam. Whichever it is, the political involvement of the Kulyab commanders is evident. Curiously, the war became toned down following the departure of the President: it's like an orchestra playing quieter and less in concert once the conductor quit.

There are some winners in the war: while those in the south are fighting, the Leninabad clans that had ruled the republic for decades have got a chance to preserve their position even after the resignation of "their" president. Under the circumstances the future of Tajikistan depends directly on them—should they give up the ex-President and put their stakes on a new man, the war will peter out.

Who Holds the Key to the Border?

An orgy of terror is only possible because it's easy to procure arms freely and in great quantities.

A Kalashnikov automatic rifle on the black market sells at between 50,000 and 150,000 roubles. Those who can't pay that much money go to Afghanistan where they can swap an immersion heater for the rifle. With good luck you can exchange a bag of flour for two rifles. You can even get one for free if you carry a letter signed by your mullah and stating that the weapon will be used for the Islamic cause. The commanders of Afghan armed groups who know little about the political situation in the neighbouring country have no way of knowing that their weapons could be used for highway robbery, protection of families or villages or even against members of the Islamic Party. The National Security Committee has no information about regular supplies of weapons to groups in Tajikistan: the Pushtun, Tajik and Uzbek units in Afghanistan are too preoccupied with the struggles inside the country.

The biggest number of illegal crossings occur along the Kurgan-Tyube Region border. All is quiet along the border with Kulyab. The reason, according to various sources including NSC officers, is that there is a window there and that border guards see those who seek weapons in Afghanistan out and in. The border guards deny the allegation.

In August the Russian President Boris Yeltsin took the border guards under Russia's jurisdiction. In September the greatly reduced personnel of the border posts was reinforced, but this cannot seal the border unless there is political stability. The cheap Afghan weapons market would remain too enticing.

Kurgan-Tyube Changes, Control by Criminal Elements Outlined

93US00034 Moscow KOMSOMOLSKAYA PRAVDA
in Russian 22 Sep 92 p 1

[Report by U. Babakhanov, with ITAR-TASS note added: "Kurgan-Tyube: 400 Recidivists Put Things in Order"]

[Text] Thousands of refugees arrive in Dushanbe each day from warring Kurgan-Tyube. Yesterday I was in Kurgan-Tyube Oblast. What was once one of the most lively routes of the republic is now dead. Only occasionally do you meet buses and wagons carrying people from Kurgan-Tyube and Vakhshskiy and Vokhtarskiy rayons.

The clashes continue in Kurgan-Tyube itself. About 400 especially dangerous recidivists who were released from the strict-regime colonies by the Kulyab militia on Sunday are committing outrages in the city.

Speaking on republic television, the head of the Muslims of Tajikistan, Kh. A. Turadzhonzoda, appealed to the Russian-speaking population not to leave the republic and not to give in to the provocateurs' actions. He proposed withdrawing the two Russian regiments from the hotspots—Kulyab and Kurgan-Tyube—and sending them to some other rayon of the republic (so as to prevent the anti-army campaign from being stepped up), and to reinforce the border with Afghanistan with CIS troops.

The situation remains tense in Kulyab.

On Monday morning unknown persons "nationalized" an official car of the KOMSOMOLSKAYA PRAVDA correspondents office. The commander of one of the detachments of the Front To Save the Fatherland, Major Nurmukhammad, promised our correspondent to find and return the car very soon.

[ITAR-TASS report] In Kurgan-Tyube Oblast in Tajikistan, 5,000 people have perished, hundreds of residential buildings have been destroyed, and production installations have suffered as a result of military actions of unlawful armed formations. The chairman of the Kurgan-Tyube Oblast Ispolkom, Nurali Kurbanov, reported these sad statistics.

Extreme Views on Conflict, Effects on Uzbek Opposition Explored

93US0016A Moscow NEZAVISIMAYA GAZETA
in Russian 30 Sep 92 p 3

[Article by Igor Rotar, with brief interviews of Tajik political figures Davlat Khudonazarov and Langari Langariyev: "The War Without Victors—The Tajik Democrats Gave the Uzbek President a Gift"]

[Text] Postrevolutionary Tajikistan is plunged into the depths of civil war. In reality a single state no longer exists: only 20 percent of the territory of the republic is

under the control of the coalition government, plus remote, sparsely populated (about three percent of the population of Tajikistan) Gorno-Baldakhshan Autonomous Oblast. As NEZAVISIMAYA GAZETA predicted (29 Sep 92) the opposition's repetition of the Georgian scenario (the assault on the president's palace in May of this year) did not bring the long-awaited peace to the republic. The precedent of force caused a chain reaction, and the losers began to operate by the same methods as the victors.

Dialog with a Perplexed Idealist

Davlat Khudonazarov, world-famous film director and chairman of the CIS Confederation of Cinematographers, appeared on the Tajik political scene in the fall of last year. The united opposition bloc supported an independent candidate in the presidential elections.

Today the chairman of the CIS Confederation of Cinematographers is one of the most prominent figures in the political life of Tajikistan. A confirmed democrat and a man of profound European culture, Khudonazarov believes that the preservation of the neocommunist totalitarian regime in Tajikistan would ultimately have led the republic to the Iranian alternative. Constantly clashing with the extremism of his allies, the prominent artist has tried to convince his comrades-in-arms that the revolutionary path will lead only to more bloodshed (it is Khudonazarov who is "to blame" for the fact that the opposition did not wipe out President Rakhmon Nabiyev during the May revolution). But the film director's attempts to lead the republic along the European path have been in vain—both opposing sides refuse to accept compromises. His peacemaking mission in Southern Tajikistan ended in failure, and Khudonazarov's "treachery" is discussed more and more often by both supporters of the ex-president and Khudonazarov's own former allies.

[Rotar] Davlat Nazarovich, in our talk at the start of the year I said that your alliance with the opposition would prove short-lived, that your balanced position would irritate your former allies.

[Khudonazarov] I understood right from the start that both sides would accuse me of preventing them from winning. I have never joined any Tajik political party; I have always had my own position. For example, I only met the members of the Islamic Rebirth Party a year ago. They were a completely unfamiliar group of people to me. Incidentally, in my opinion it is a mistake to view the contemporary movements in Tajikistan as purely political parties. They are only kernels from which, after many years, political parties in the European sense can grow.

[Rotar] You were not able to put out the civil war in Southern Tajikistan.

[Khudonazarov] The extremism of the Kulyabians is leading to a situation where the most radical, uncompromising leaders are starting to dominate among their

opponents. It seems to me that extremists on both sides are doing everything they can to prevent peace from coming to Tajikistan. I think that both the hostile sides in this war have looked bad. On both sides of the barricades in Kurgan-Tyube as well as in Kulyab power has passed to organized gangs.

[Rotar] Nabiyev was swept away by a force that uses the odd pseudonym "Youth of the City of Dushanbe." What kind of people are they?

[Khudonazarov] I think that they are armed people who live in Dushanbe.

[Rotar] But who controls them?

[Khudonazarov] The forces in opposition to Nabiyev. I want to emphasize that one week before Nabiyev was removed the government and the Supreme Soviet both demanded his retirement. Practically the entire society was ready for his removal. So I cannot call Nabiyev's retirement unlawful. It was impeachment during a period where there was no legal status. But these same people can sweep away the next one too. That I am afraid of.

[Rotar] In our previous meetings you were more optimistic.

[Khudonazarov] You live and learn. I have not been able to sleep in recent times. I have lost hope for a quick peace in Tajikistan.

Regional Groupings Instead of Parties

There is a popular line in Tajikistan that says: "The Pamir dances, Kulyab defends, Dushanbe produces, Khudzhand (the former Leninabad) trades and rules." The conflict noted in this aphorism has become timely now. For a number of reasons, despite their centuries-long history, the Tajik people did not completely form into a single ethnic group. Frequently a Tajik from a neighboring region is seen as more of a foreigner than a member of a different nationality. The inter-regional separateness is intensified by the social inequality of the different regions. Since the late 1930s and right up to Nabiyev's retirement, power has invariably been held by northerners (Leninabadians). By Davlat Khudonazarov's estimate capital investment in the northern regions has been almost 100 times greater than in the South. The political battle in Tajikistan is closely intertwined with the regional struggle. Thus, there is no doubt that the May revolution was at least partially an attempt by the southerners to restore justice.

Despite expectations, however, it was not the pressured northerners who offered the greatest resistance to the victors. In the opinion of many independent observers the cautious Leninabadians preferred to act through others.

Leninabad's Southern Base of Operations

Located in the south of the republic, Kulyab Oblast is one of the more economically backward regions of Tajikistan. Relations between Leninabadians and Kulyabians have not been simple. When a man from Leninabad was appointed first secretary of the Kulyab obkom 20 years ago he did not manage to assume his duties; he was found dead in a hotel room one day after his arrival. Since then the northerners have decided to change tactics; they brought the Kulyabians into their circle of chosen ones. Leninabad and Kulyab become brother-cities, and people from Kulyab were usually appointed to secondary roles in the state. A ruling clique developed in Kulyab which had an interest in the reign of the northerners.

During the spring uprising the Garmians and Pamirians led by the opposition gathered in Shakhidon Square. The Kulyabians organized an alternative rally in Ozodi Square in defense of the authorities. On 7 May President Rakhmon Nabiyev issued an ukase forming a national guard and some 1,800 automatic weapons were distributed to his Kulyabian supporters. But even this step by the president did not save the ruling clique. Almost immediately after formation of the national guard the opposition took the presidential palace by storm. The Kulyabians, forced to return home, shut themselves off from the coalition government with armed detachments in reality civil war was already inevitable.

To a Victorious Conclusion

The hottest point in Tajikistan today is the Vakhsh valley in Kurgan-Tyube Oblast.

Large-scale development of this southern region began in the 1920s. People from various regions of the republic, Garm, Kulyab, and the Pamir, were resettled here. The descendants of the settlers preserve the regional self-awareness of their ancestors.

After the May events peaceful life in Kurgan-Tyube Oblast ended. Local Garmians and Kulyabians began settling accounts with each other. For a certain time Davlat Khudonazarov was able to localize the conflict by convincing the leaders of Kulyab Oblast not to start helping their countrymen in Kurgan-Tyube Oblast.

Sangak Safarov, the leader of the Kulyab paramilitary detachments, arrested "intransigent field commander" Langari Langariyev for participation in the Kurgan-Tyube events. But in the end the supporters of "war to a victorious conclusion" won out on both sides of the front. The Garmian forces today are headed by Kori Kiyemiddin and Mullo Mukhammadzhon from the extreme radical wing of the Islamic Rebirth Party. And the military detachments of Langari Langariyev, who has become a "Kulyab hero," took the oblast center Kurgan-Tyube by assault just the other day.

**'We Will Send All the Garmians Away'—Langari
Langariyev in Conversation With NEZAVISIMAYA
GAZETA**

[Rotar] Could you please tell us about yourself.

[Langariyev] I am 35 years old. I used to work as an instructor at a correctional institution in the organs of the Tajik UVD [Administration of Internal Affairs].

[Rotar] What objectives are you pursuing?

[Langariyev] The present coalition government is illegal. We will fight to the end, and in the near future—I promise you—we will take Kurgan-Tyube, and then Dushanbe too (editorial note—the interview was taken 2 days before the fall of Kurgan-Tyube).

[Rotar] Back in mid-summer a majority of Kulyab leaders supported neutrality in the Kurgan-Tyube events. Now you have managed to persuade your opponents.

[Langariyev] Yes, that is right. I have enormous respect for Sangak Safarov, but it seems to me that he did not have a completely correct understanding of the situation at that time. Today common sense has won out. All Kulyabians now understand that only a determined and uncompromising struggle will save the republic.

[Rotar] If you are victorious, what will happen to inhabitants of Kurgan-Tyube Oblast whose ancestors came from Garm?

[Langariyev] We will send every single one of them out of the oblast.

[Rotar] I see that there are women among your troops.

[Langariyev] Yes, we have a women's platoon. Our women are fighting for freedom too.

[Rotar] Is Leninabad helping you?

[Langariyev] Of course. Like us they do not recognize the coalition government, and they are giving us substantial financial and material aid.

[Rotar] Are they supplying you with arms?

[Langariyev] They are helping us in everything.

A New Force

The determination of the commanders of the paramilitary formations is not the only danger for Tajikistan. In the assessment of the leaders of the opposing sides themselves, some 20 percent of the rebel fighters are already out of control. The organs of the Kulyab Oblast UVD are completely paralyzed, and conditions that give rise to criminal activity in the oblast have become much worse.

It is instructive that this kind of situation is typical not just of the hotspots of Southern Tajikistan, but even in the capital of the republic. The Dushanbe militsia has been disarmed, because the authorities fear that UVD

employees will remember their regional ties. Instances of robbery have become more common in the city. During the night between 21 and 22 September a KamAZ truck and two training armored personnel carriers were stolen from the military department of Tajik State University. At night gunfire is heard even in the center of Dushanbe—in the opinion of leaders of the Ministry of Internal Affairs it is criminals settling accounts among themselves. Under conditions of regional warfare the criminal world increasingly appears as a new force.

Inside an Alien War

There is not much reason to envy Russian military men serving in Tajikistan. The rebel fighters of the combatants unceremoniously stop military vehicles flying the Russian flag, check documents, and search for "illegal" weapons. Military men are increasingly taken as hostages. There have been more frequent cases of attacks on military units for the purpose of seizing weapons. And the situation is like a vicious circle: when Russian military hardware is "expropriated" by one of the groupings, their enemies immediately do the same thing on "their own" territory.

It remains a fairly serious danger for Tajikistan that Russian professional military men will be drawn into the conflict on someone's side.

Dzhurabek Aminov, deputy chairman of the National Security Committee, alleges that military men are selling weapons, and for large sums of money secure crossings of the Tajik-Afghan border by weapons smugglers. Turncoat officers in Russian tanks took part in the assault on Kurgan-Tyube by the Kulyab groups.

Violation of neutrality by Russian military men is easy to explain. Deprived of any social guarantees and receiving fairly modest wages Russian servicemen are forced to risk their lives every day in an alien war. The temptation to get at least material compensation for the moral costs is quite strong. The combatants promise fantastic sums to officers who agree to join them. And if former Russian officers begin fighting on the side of one of the military formations, the fury of its enemies will fall immediately on the completely innocent Russian population.

Neighbors

The political situation in Tajikistan is dangerous for all the states of the Commonwealth. And the problem is not limited to the illegal flow of arms and narcotics from Afghanistan into the CIS.

The civil war in Tajikistan will result in large-scale emigration of the non-Tajik population.

Most likely Moscow will not have to limit itself to receiving Slavic refugees from Tajikistan, events in this state will spur on the outflow of Russians from other Central Asian republics as well.

The emigration of the Uzbek population of Tajikistan can lead to even more serious consequences. The territorial division of 1924 led to a situation where a significant number of Uzbeks live in Tajikistan and, on the other hand, Tajiks have lived on the territory of modern

Uzbekistan since ancient times. A fight between these two major peoples of the region could blow the region apart.

It is true that there is another side of the problem. Already in the spring most political scientists were predicting a repetition of the "Tajik alternative" in Uzbekistan this autumn, but a social explosion in this republic today is unrealistic. The sad experience of the Tajik revolution somewhat cooled the ardor of the supporters of this position in the other Central Asian states. Without wanting to, the Tajik democrats offered up a fine gift to the neocommunist leadership of the neighboring republics.

UZBEKISTAN

Text of Karimov Letter to UN Secretary

93US0014A Tashkent PRAVDA VOSTOKA in Russian
8 Sep 92 p 1

[Letter from the president of Uzbekistan to Mr. Butros Ghali, secretary general of the United Nations: "To Stabilize the Situation and Establish Lasting Peace in the Region"]

[Text] Your Excellency,

I have the honor to address to you words of sincere esteem and gratitude for the immense work which is being performed under your leadership by the United Nations on the consolidation of peace and harmony among peoples and countries.

I would like in this connection to call closer attention to the situation, which is intensifying sharply, in a most densely populated area of the world—Central Asia.

You are well aware that the peoples living in this ancient oasis of world civilization have a very rich history. They are closely interwoven by ancient spiritual roots, cultural traditions and customs, human relations and destiny, religious values, and national achievements.

What is most important is that an indissoluble, kindred, as it were, unity, linked by the entire historical past, of people and nations, which both psychologically and morally reject the separating barriers which are being artificially erected between them, has taken shape in the course of centuries in Central Asia.

It should be considered that all confrontations, clashes, and antagonistic manifestations in relations of large groups of people and nations have always had very disastrous consequences here for the entire region, at whatever point they have originated.

For almost six months, the 50 million-strong population of our region has been living with the presentiment of a great disaster, holding its breath and tremblingly following the events occurring in fraternal Tajikistan. The fighting here is unabating, and shots are thundering forth

incessantly. Tension and the opposition of various political forces and groupings are growing from day to day. Totally innocent children, women, old men, and the civilian population are dying more and more. The rights and liberties of national minorities are being violated. The number of refugees—of various nationalities from areas where intensive fratricidal clashes are taking place—is growing. They are being forced to seek refuge in other countries.

The authority of the official state structures in Tajikistan has as of this time been lost. The constitutional system and the possibility of democratic transformations are in jeopardy. A real danger of civil and national confrontation, anarchy, and chaos spreading to the entire region has arisen.

The concern of all peoples of Central Asia is growing in connection with the fact that, given the direct involvement and assistance of contiguous states, the penetration into Tajikistan of modern weapons and munitions continues.

The sovereign right of the people of Tajikistan to decide their internal affairs and to determine the fate of the country at their discretion is natural and inviolable. But propitious external conditions must be created for the courageous, industrious, and, alas, long-suffering people of the fraternal republic to realize their inalienable right. It is necessary first and foremost to halt the influx of weapons into the region.

Under these conditions, particular importance is attached to the question of the preservation of the current borders and the territorial integrity of the states of Central Asia. It should be clear that the established borders of Tajikistan with contiguous countries are simultaneously the permanent, inviolable borders of the states of Central Asia. Any attempts to violate them would be a common challenge to the political interests, national security, and territorial integrity of all the peoples that live in these parts and would run counter to the principles recorded in the UN Charter and the CSCE Final Act.

The peoples of Tajikistan are bound inseparably and forever by thousands of threads politically, economically, spiritually, and, finally, nationally-genetically to their brothers and the kindred peoples of all of Central Asia.

We observe with great regret that there are external forces which would like to sow and cultivate in our region the seeds of national discord and political and civil confrontation. Permit me to hope, Your Excellency, that the United Nations and its Security Council will call the attention of its members and the world community to the impermissibility of interference in the internal affairs of Tajikistan. All conflicts and problems should be resolved exclusively by the political path. Central Asia must not become a new center of tension on the world

map, the blazing of another senseless flame, with human casualties, and the object of the geopolitical games of other states.

We would urgently request that you, Mr. Secretary General, immediately dispatch a special UN mission to study the actual state of affairs and to adopt urgent measures within the framework of your authoritative organization to stabilize the situation and establish lasting peace in this region.

Timely and effective assistance rendered by the international community would be a determining factor of support for the processes of democratization and the political and economic reforms which have begun in our young sovereign states.

Accept once again assurances of my esteem for you.

With profound respect,

[Signed] **Islam KARIMOV**, president of the Republic of Uzbekistan
7 September 1992
Tashkent

Reader Supports Reinstatement of Communist Party

93US0014B Tashkent PRAVDA VOSTOKA in Russian
8 Sep 92 p 2

[Letter from M. Faustov, employee at the Angren GRES: "Fidelity to the Course"]

[Text] The termination of the activity of the CPSU since the well-known events of last year has led to members of the party true to the communist idea having been deprived of their organization and left without work. Whatever their numbers, they exist. These people will never throw away their party cards, and will not go over to other parties and movements. After all, they joined the CPSU out of conviction. These are people who never rushed into the party for the sake of some mercenary goals and did nothing to besmirch themselves in the eyes of society. The Communists could, as before, be making a substantial contribution to social work and the education of the youth.

The question of the re-formation of the communist organizations would seem entirely legitimate in this connection. In a state which declares freedom of belief and a commitment to international legal principles, this would be a visible manifestation of fidelity to the proclaimed course.

The Communist Party has, in my opinion, a right to exist. This merely needs to be done according to the law. The more so in that the process of the revival of movements and parties of a communist focus is actively under way in other republics also.

Authorities Refuse To Register Uzbek-Tatar Society

93US0008B Moscow NEZAVISIMAYA GAZETA in Russian 22 Sep 92 p 3

[NEGA report: "Uzbekistan"]

[Text] The Tashkent authorities, as well as those of Uzbekistan's Ministry of Internal Affairs and National Security Service did not permit the constituent assembly of the "Tugan il" Uzbek-Tatar Society to be held. This society has cultural-educational goals; it also engages in establishing ties with its fellow-countrymen abroad.

Negotiations between the authorities and the new society's organizational committee ended without any positive results.

Ukase on Measures To Regulate Fuel Oil Products, Improve Branch Administration

93SD0009B Tashkent PRAVDA VOSTOKA in Russian
8 Sep 92 p 1

[Ukase Issued by the President of the Republic of Uzbekistan: "On Measures To Regulate the Sale of Petroleum Products and Improve the System of Branch Administration"]

[Text] A difficult situation has evolved objectively in Uzbekistan with regard to ensuring the supply and delivery of petroleum products. As much as 80 percent of the petroleum consumed annually by this republic must be imported from the CIS countries, where prices are constantly and sharply rising on it and other energy sources.

Under these conditions it is utterly inadmissible that we have instances of abuses, waste, theft, embezzlement, and sabotage in the sale of our republic's petroleum products. Such instances were accelerated within the republic's Goskomnefteprodukt [State Committee for Petroleum Products]. An ad hoc, one-time checkup of motor-vehicle service stations in the city of Tashkent, as well as in Dzhizak, Samarkand, Syr-Darya, and Tashkent oblasts revealed extremely gross violations of the established rules and regulations governing the storage, release, and allocation of petroleum products, along with instances where the state and its citizens were deceived.

With the connivance—or at least the permissive laxity—of the leading officials of the oblast-level subdivisions of this republic's Goskomnefteprodukt, many of the above-mentioned service stations provided poor information service regarding the prices on petroleum products, there was a lack of measuring devices, and the rules of technical operation and safety were grossly violated. All this has directly led to a situation whereby certain staff members at the stations—flouting the law—have used and are using state property for the purpose of personal enrichment and profit.

The above-indicated and other shortcomings were mainly caused by the lack of effective and strict monitoring controls on the work of this sphere on the part of the Cabinet of Ministers, as well as by the personal irresponsibility of the leadership of this republic's Goskomnefteprodukt (headed up by Comrade Ya.T. Muminov) and its subdivisions in the localities. Under the conditions of a severe shortage of energy sources, the oblast-, city-, and rayon-level khokims kept completely aloof from this important matter. They have not taken timely measures for warning against and preventing numerous instances whereby state petroleum-product reserves were squandered.

In order to root out negative phenomena in ensuring this republic's national economy and population with a supply of petroleum products, as well as a radical restructuring of this system's administration under the conditions of market-type relations, the following steps shall be taken:

1. The Republic of Uzbekistan State Committee for Petroleum Products shall be abolished. The Uzbek State Joint-Stock Association for Petroleum Products ("Uzgosnefteprodukt") shall be formed on the basis of the former Committee's territorial subdivisions, enterprises, and organizations. And it shall be included in the Uzbekneftegaz Concern.

It shall be specified that the Uzgosnefteprodukt Association:

- is to be a republic-level, state, joint-stock association with the rights of a juridical person and shall carry out its activity based on the principles of self-management and full economic accountability in accordance with the existing legislation and the charter to be approved by the Cabinet of Ministers under the president of the Republic of Uzbekistan;
- this Association shall also administer and exercise the rights of ownership and use of the state property of those associations, enterprises, and organizations which shall be included within the Association.

2. The Uzbek State Joint-Stock Association shall be assigned the task of solving the following basic problems:

- carrying out a complex of measures to improve the system of ensuring a supply of petroleum products to this republic's national economy and population, based on the development of market-type relations and economic methods of administration;
- studying the needs and working out—in conjunction with Uzkontraktorg and the Republic of Uzbekistan State Committee on Forecasts and Statistics—balance sheets for all types of petroleum products, and specifying the problems and tasks involved in producing and supplying them for the state needs;
- carrying out a balanced and well-proportioned deployment of this sector's enterprises, creating an effective network of petroleum pipelines, petroleum centers, and motor-vehicle service stations, solving

intersectoral problems on the basis of close interaction with organs of the republic- and territorial-level administrations;

- promulgating a progressive scientific, technical, and investment policy, directed at solving the high-priority problems of developing the system, utilizing new equipment and technology in the processes of transporting, storing, releasing, and allocating petroleum products, creating automated control systems, including those in subdepartmental enterprises and organizations;
- seeking out additional resources of petroleum products, organizing projects for preparing and concluding intergovernmental agreements with CIS countries for delivering petroleum and its refined products, stepping up foreign-economic activity, creating joint ventures with the participation of foreign firms;
- working out forecasts and implementing comprehensive programs for the economic and social development of this sector, coordinating the activity of the subdepartmental enterprises, organizations, and institutions, and representing their interests in state and other organs.

3. It shall be established that:

- the Uzgosnefteprodukt Association shall bear the responsibility for the on-schedule and continuous supplying of this republic's national economy and population with petroleum and its refined products;
- the leading officials of the Uzgosnefteprodukt Association shall be approved by a decree to be passed by the Cabinet of Ministers under the president of the Republic of Uzbekistan;
- the leading officials of the Karakalpak Republic, oblast-, and Tashkent city-level subdivisions of the Association shall be in the nomnklatura of Uzgosnefteprodukt; and they shall be approved by its collegial organ upon being submitted for this purpose by the Karakalpakstan Council of Ministers and the appropriate khokims.

4. Within a 10-day period the Cabinet of Ministers shall adopt a decree providing for the implementation of the present Ukase; it shall also confirm the structure of the Uzgosnefteprodukt and its charter

[Signed] I. KARIMOV, president, Republic of Uzbekistan

Tashkent

7 September 1992

Uzbekistan Airlines Head on Flights to China

92US0848A Tashkent OZBEKISTON OVOZI in Uzbek
14 Aug p 3

[Interview with Gh.M. Rafiqov, chief executive officer, Uzbekistan Airlines, by A. Polatov, date and place not given: "Uzbekistan Provides Aviation Service on a World Scale"]

[Text] In ten days a huge IL 86 airbus belonging to the national aviation company "Uzbekistan Airlines" will take off for the neighboring and ancient Shinjan. Managers of the airline, representatives of society, journalists, and travelers will participate in this first dry run flight. The steel bird will cover the 1806 kilometers to Urumchi in two and a half hours at a speed of 900 kilometers per hour. Thus will open the first page in regular air service between the two. Gh.M. Rafiqov, chief executive officer of the national aviation company "Uzbekistan Airlines", answered questions.

[Polatov] Ghani Mazitovich, isn't it true that making the new flight on the eve of Uzbekistan's independence festivities is like a wedding present?

[Rafiqov] It's the same idea. This flight should serve the people of our land on the path to improvement. The Uzbek and Uighur people will have the honor to quickly meet face to face. There will be many such flights to cities of the world.

[Polatov] Aviation specialists of Uzbekistan, China, and Shinjong have begun to work in partnership. Does this point out a connection between the international pact of friendship signed by the government and leaders of our countries and the field of aviation?

[Rafiqov] Certainly. At the end of last month we flew the entire route from Tashkent to Urumchi and Beijing. In the Chinese capitol we signed drafts for bilateral cooperation with the chief executive officer of the state aviation plant, Ju Pin. That means we are on the way to inaugurating regular service to Beijing in the near future.

[Polatov] Who will participate in the flight to Urumchi and what are the arrangements?

[Rafiqov] On the first flight will be I. Salomov, the director of the Tashkent airport, S. Bahriyev, the director of the Samarkand airport, E. Polvonov, the technical director of our aviation company, A. Inoghomov, the head of counter services, S. Ghulomova, the head of international youth tourism, and a group of travellers. Those on the trip will witness the official ceremony to be held with the Shinjong aviation company in Urumchi. I hope that in general the kind-hearted

people of that land, their customs, which are similar to ours, and their beautiful nature and parks are to the liking of those on the flight. During the trip there will be visits to the revered places of this ancient city.

Thereafter will begin regular flights on Mondays and Wednesdays.

[Polatov] What will Uzbek aviation specialists learn from the airlines of this neighbor?

[Rafiqov] According to the bilateral agreement, two of our airplanes are now being operated out of Shinjong on the basis of international cooperation. For the first time in the history of Chinese civilian aviation we have achieved complete cooperation with pilots and airplanes. Seventy aviation specialists under the command of the accomplished pilot, Shuhrat Asilov, are successfully working there. Our people, flying from Urumchi to Beijing, Shanghai, Harbin, and Guanjo are serving Chinese travellers as a training exercise. The results are pleasing. We can clearly say that in the field of air service we have moved up to the world scale.

[Polatov] To which cities of the world are our pilots now flying?

[Rafiqov] Our pilots provide regular service to Jedda, Sharja, Dehli, Karachi, Istanbul, and Kuala Lumpur. On 25 August service to Tel Aviv will begin. Right now, there are branches of the Uzbek national aviation company functioning in six cities of the world.

[Polatov] Our international relations as an independent country are developing in various spheres. Air service certainly plays a huge role in this. In our sunny land what opportunities are being created to serve foreign travellers?

[Rafiqov] We are preparing the airports of Tashkent, Samarkand, and Termiz to receive and serve 16,800 foreign travelers per day. With this in mind large building and repair projects are being undertaken. In the capitol's airport an international lounge capable of serving 20,000 foreign travelers is being readied. In Samarkand work is being started on an installation for landing huge airplanes.

ARMENIA

Yerevan Resumes Publication of IZVESTIYA

93US0015A Moscow IZVESTIYA in Russian 1 Oct 92
Morning Edition p 6

[Article by Sergey Bablunyan: "People in Yerevan Are Reading IZVESTIYA Again: For the First Time on the Territory of the Former USSR an Independent Agency Has Bought the Right To Print and Distribute Newspapers"]

[Text] After a nine-month interruption the printing of IZVESTIYA has resumed in Yerevan. The paper shortage in Armenia, which at one time spurred the local publishing house "Periodika" to seize someone else's property, accounts for the newspaper's such long absence in kiosks and subscribers' mailboxes. Now, it seems, the conflict has been settled and the contracting parties are prepared to follow the honorable rules of the game.

The Agency for Press Distribution in the Republic of Armenia—that is what the former branch of "Soyuzpechat" is now called—has essentially bought the right to print and distribute IZVESTIYA throughout the republic's territory. Here is what the director of the agency, Ruben Miroyan, had to say about this.

"The Izvestiya Publishing House offered us the opportunity to print the newspaper without the right to change its content, add our own supplements, or pass on articles, photographs, and other materials published in IZVESTIYA to other organizations. If necessary the Moscow publishing house will undertake to help us acquire and deliver paper, but only at commercial prices. We in turn are supplying the Izvestiya Publishing House with a prepayment in the amount of 124,000 rubles [R] for each successive month until the end of this year. Then the contract can be renewed.

"The agency itself is setting the copy run, assuming delivery of the newspaper to kiosks and subscribers, and ensuring the distribution of the newspaper to other cities and rayons of Armenia in addition to Yerevan. The decision was made to start with 5,000 copies a day, and we will sell them for R5 an issue. That is not cheap, of course, but with the present prices for paper and printing and other expenditures it is unfortunately impossible to set a lower price. Otherwise we would have nothing but losses, although we cannot expect any significant income even at that price."

"Then what induced you to do such a thing?"

"You may not believe me, but above all it was readers' interest. The republic has been in an information vacuum for a long time, and the public is already beginning to perceive the lack of Moscow and other daily newspapers as a deliberate act. Now we will be able not only to eliminate such suspicions but also, and this is the most important thing, to appreciably enlarge our

window on the world and give people the opportunity to read those publications which are to their liking

"Of course I would be a poor businessman," Ruben Miroyan continues, "if I did not figure on income in the future. Yes, in a certain sense I am taking a risk, but even so I hope that by raising the copy run to 10,000 at first and then more later, we will obtain substantial profits. Incidentally, we have also signed the same contract with NEZAVISIMAYA GAZETA."

With the reorganization of the Armenian branch of "Soyuzpechat" into an independent agency and the coming of new leaders to it, distribution of press in Armenia has been markedly revitalized. R. Miroyan managed to set up business ties with Vrezh Markosyan, the director of the largest newspaper and journal publishing house in the republic, "Periodika," and through joint efforts to cut off all competitors from the work of printing Moscow newspapers in Yerevan. The fact that neither director went after immediate advantages but got down to business with the aim of a very promising future also played no small role.

The two problems which might throw the work begun are, first, the transport blockade and the difficulties with supplying paper to Armenia, which could be almost mountable. For that reason R. Miroyan is now trying to stock up on it for future use. And the second problem is the timely delivery of fresh papers to the reader. The price of 1 liter of gasoline has jumped to R90 in the republic. Ruben Miroyan's agency has acquired 14 trucks which under contract with the drivers will be transferred outright to their ownership after 5 years. Today, of course, the R2,400 driver pay is not much money, but not everyone receives even that much in Armenia. R. Miroyan also reinstated the institution of public distributors and a letter signed by the minister of communications of Armenia with the proposal to organize air delivery abroad of local newspapers and journals went to the government. Feedback is also envisioned

So, as of 1 October there will be one more newspaper in Yerevan kiosks.

Official Position on Karabakh Outlined

93US0015B Moscow IZVESTIYA in Russian 6 Oct 92
Morning Edition p 3

[Article by Feliks Mimikoyan, representative of the Republic of Armenia in the Russian Federation: "A Choice Between Force and Law"]

[Text] An interview with the vice premier of the government of Azerbaijan and plenipotentiary representative of this republic in Moscow, Mr. Khikmet Gadzhizade, was published in IZVESTIYA (No 199); there, among other things, the present status of the Karabakh problem and the reasons preventing its settlement were discussed. I think that it would be interesting and useful for the readers of our newspaper to know the other side's opinion on this issue.

The Karabakh conflict has now taken on the form of a bitter military confrontation. On one side of the barricade are the armed formations of Azerbaijan which are trying by force to bring to heel the population of a territory which they consider an inseparable part of Azerbaijan, while on the other side is the Armenian population of this region which has been living here for more than a millennium and is trying by every available means to protect their right to live in the land of their ancestors. And finally there is Armenia, which is making every effort to prevent the conflict from escalating into a large-scale war, but does not have the moral right to be indifferent to the fate of a significant part of its ethnic community.

At the start of this conflict there were peace rallies and a naive faith in the triumph of justice. Sumgait, which soon followed, gave it a sinister tone and moved it to a bloody plane. Everyone was waiting for this to be given a legal and political evaluation. But the crime, which remained unpunished both in the moral and legal sense, laid the foundation for the confrontation of the two peoples and roused political passions. Then came repeated appeals to the Center, which in accordance with the imperial tradition which had taken root was perceived as the only arbiter. But the arbiter had difficulty differentiating the ethnic faces of its subjects and tried to put the brakes on everything. But the brakes no longer worked and the mechanism of confrontation increasingly gathered speed. Guns came to be widely used, and then contemporary assault rifles, and after contemporary assault rifles—APC's [armored personnel carriers], tanks, and "Grads." And then planes were thrown into the battle and they dropped 500-tonne bombs on Stepanakert. What is next?

As for the present situation, we should figure out what Azerbaijan wants and what Armenia wants. A solution to the problem of Nagorno-Karabakh at this stage is essentially linked to a choice between force and law. Throughout the entire conflict Azerbaijan has tried one way or another to resolve the matter by forceful persuasion—a constant economic blockade and methodical and ruthless destruction of the entire system of vital activity, including barbarous strafing of the peaceful population. This only leads to large numbers of victims and enormous destruction, but a solution to the problem has not advanced even a step. Forceful persuasion merely embitters the people of Karabakh and leads to more and more victims. The spring of confrontation is getting tighter and tighter.

Armenia, for whom the security of its fellow tribesmen is paramount, proposes to withdraw from the military confrontation and sit down at the bargaining table. This step, if it is consistently realized, may mark the beginning of a peaceful settlement. A peaceful settlement itself may be the result of negotiations of all interested parties and must be based on the principle of ensuring the security of all the peoples living in the region.

Azerbaijan has agreed to peace negotiations under one condition—if the Armenians of Nagorno-Karabakh agree to the status of a cultural autonomy within the framework of a unitary Azerbaijan. In doing so they refer to the CSCE [Conference on Security and Cooperation in Europe] principle of the inviolability of postwar borders in Europe and to their own declarations of their intention to build a democratic and law-governed state in which each citizen will be given a broad spectrum of political and economic rights. Cited as examples of these rights are the existence of schools in the national language, the opportunity to travel freely, and the guarantee of freedom of economic activity (for example, to choose economic partners), that is, the things that make up the foundation of any democratic state and are provided for even without cultural autonomy. But let us note that Azerbaijan, which has proclaimed a course toward democracy, in this case is following a path not of expansion but of restriction of rights, since until recently Karabakh had the higher status of an autonomous political unit. It would be equivalent to imposing the status of an autonomous cultural unit within the framework of democratic Russia on most of the republics who wanted independence, including Azerbaijan itself.

And there is one more thing. The confederative order of a multinational Azerbaijan, for example, by no means contradicts the CSCE principles. Azerbaijan's announcement that it is prepared to respect the rights of Armenians in this region cannot be accepted after 4 years of bitter, harsh pressure unless feasible mechanisms to guarantee them are clearly stipulated. And such mechanisms can only be worked out during direct negotiations and only with the participation of legitimate representatives of the Nagorno-Karabakh Republic. Until then neutral observers and peacekeeping forces can be sent to the conflict region to uphold a truce. But Azerbaijan does not agree to this, considering the conflict its own strictly internal affair.

The Armenians declare: yes, we respect the principle of the inviolability of borders, but in no way does it contradict the principle of the right to self-determination. In fact this principle in one form or another is the foundation of the formation of all modern states, including Azerbaijan itself. After recognizing the right of Armenians to live on their historical territory, it is possible to move on to developing political mechanisms for guaranteeing this right. After stopping their being "forced out" of the region where they have lived (and this can be done only by stopping the most refined forms of military pressure), it is possible to move on to the most important question: how to ensure the security and cooperation of the peoples living in the region. Here we need good will and recognition of the hopelessness of the military confrontation. Because the price which we pay for that confrontation cannot be compared to the price of peace, the only thing that ensures the prosperity and well-being of our peoples.

AZERBAIJAN

Receipt of Turkish Military Aid Denied

93US0011A Moscow LITERATURNAYA GAZETA
in Russian No 41, 7 Oct 92 p 2

[Article by Elmira Akhundova: "So Whose East Is It? Turkish Military Experts Are Beyond Azerbaijan's Means"]

[Text] In connection with the publication in issue No 39 of LITERATURNAYA GAZETA of a commentary entitled "The East Is Ours," which talks about direct military participation by Turkey in the Karabakh conflict on the side of Azerbaijan, I was asked to go to the republic Ministry of Defense.

After obtaining a pass in the commandant's office to see the chief of the general staff, Major General N. Sadykov, I went to a building standing some distance away. I did not actually see any Turkish military experts but instead at almost every step I met people of obviously Slavic appearance. This is understandable because about 800 Russian-speaking officers from the former Transcaucasus Military District are still officially serving in units of Azerbaijan's national army at this time, and some of them work at the Ministry of Defense or teach in military schools, while others are handling military training for recruits.

The major general commented on the LITERATURNAYA GAZETA report as follows: "On behalf of the leadership of the Ministry of Defense I can officially state that no Turkish inspectors, advisers, experts, and so forth are in units of the national army. We would like to train officers in military schools and academies abroad. And I spoke about this at a conference of the NATO southern flank countries in Italy attended by military experts from the United States, England, France, and Greece. If any country will undertake to provide assistance in training officers we shall be very glad. Incidentally, officers from the Turkish army were also present at that conference, and they did greet my statement with understanding. However, everything still turns on the lack of hard currency. I was amused to hear that they are saying that foreign instructors are working in units of Azerbaijan's national army. Yes, for months we have been waiting for official instructions from the Cabinet of Ministers to send even a single Azerbaijani serviceman on a trip abroad. So the noise raised by the mass media is just the latest canard."

Leyla Yusunova, chief of the information and analysis center at the Ministry of Defense, was even more categorical:

"Have you any idea what 6,000 Turkish soldiers is? That is half a division! If it were even half true the numerous observers coming to the zone of the conflict would long ago have had a large number of facts on the subject. The Turks have helped us only with deliveries of fabric from which we made field uniforms for our troops."

After the visit to the Ministry of Defense I decided to meet with the leader of the opposition to the present authorities, the National Independence Party, former member of the Military Council Etibar Mamedov. He often visits Turkey and I understand that he enjoys great authority and popularity among Turkish politicians. In response to my question of whether during his trips to Turkey he has negotiated about military participation by Turkish officers in training units of the Azerbaijan national army, E. Mamedov answered in the negative, and he added this:

"Someone in the West wants very much for the myth about military aid to Azerbaijan from neighboring Islamic states to be a reality: Here, they say, Turkey is training Azerbaijani soldiers, providing weapons, and so forth. In fact, if anyone is helping us today in shaping the national armed forces it is the former Soviet officers who have come to serve with us. They at least are not demanding hard currency, they serve for rubles."

Ukase on Eliminating Duplication of Functions

92US0873A Baku BAKINSKIY RABOCHIY in Russian
2 Sep 92 p 1

["Ukase of the President of the Azerbaijan Republic: On Measures for Eliminating Duplication in Budget Organizations of the Azerbaijan Republic"]

[Text] Taking into account the need to create new state organs in connection with the formation in the republic of a system for management of the market economy and in order to ensure effective use of budget allocations, I decree:

1. To the Cabinet of Ministers of the Azerbaijan Republic:

—in connection with the creation of the Property Committee, the State Land Committee, the State Committee for Antimonopoly Policy and Aid to Entrepreneurship, and the Foreign Investments Committee, to make structural changes in the corresponding ministries and departments in order to eliminate duplication in the system of management and to continue such transformations in the future when new management organs are created;

—to submit within a month concrete proposals for effective use of budget allocations for 1993, combining or eliminating republic budget institutions and organizations which perform the same functions and are operating unproductively.

2. The present ukase goes into force as of the moment it is signed.

[Signed] President of the Azerbaijan Republic Abulfaz Elchibey
Baku, 28 August 1992.

Ukase on Membership in IMF, IBRD

92US0873B Baku BAKINSKIY RABOCHIY in Russian
2 Sep 92 p 1

["Ukase of the president of the Azerbaijan Republic 'On the Entry of the Azerbaijan Republic Into the International Monetary Fund, the International Bank for Reconstruction and Development, and Related Organizations'"]

[Text] Taking into account the significance of the entry of the Azerbaijan Republic into international financial and credit organizations as it comes to be recognized as a full-fledged member of the world community and the role of these organizations in conducting economic reforms in the republic, I decree:

1. To adopt the articles of the agreement of the International Monetary Fund (henceforth—Fund), the agreement of the International Bank for Reconstruction and Development (IBRD), the agreement of the International Finance Corporation (Corporation), the agreement of the International Development Association (Association), the convention on the principles of the Agency for Multilateral Guarantees of Investments (Agency), the convention on the principles of the International Center for Resolution of Investment Disputes (Center), the provisions and conditions of decisions of the respective boards of directors of the Fund, Bank, Corporation, Association, and board of directors of the Agency related to the membership of the Azerbaijan Republic in these organizations.

2. To specify that the Azerbaijan Republic assumes all the responsibilities involved in participation in the department of special borrowing rights from the moment of its acceptance as a member of the Fund.

3. The Azerbaijan Republic accepts the proposed amendments to the articles of the agreements approved by Resolution No. 45-3 of the Fund's board of directors from the moment of the admission of the Azerbaijan Republic to the Fund.

4. To authorize the minister of finance of the Azerbaijan Republic to sign the articles of the agreements of the Fund, Bank, Corporation, and Association and the conventions on the principles of the Agency and Center, to execute and submit the instruments of admission or participation, and also any other document needed in connection with Articles 1, 2, and 3 of the present ukase.

5. To authorize the minister of finance of the Azerbaijan Republic to borrow or acquire by any other appropriate means the resources that may be necessary for making any payments to the Fund, Bank, Corporation, Association, Agency, and Center in keeping with the articles of the agreement or convention which determine the code of rules of these organizations or to issue any nontransferable interest-free notes for these purposes.

To grant to the minister of finance of the Azerbaijan Republic the right to be entrusted with any sum which

will be paid or transferred to the Azerbaijan Republic upon performance of the operations specified by the articles of the agreements of the Fund or Bank.

6. a) To declare the Ministry of Finance of the Azerbaijan Republic to be:

I. The financial agency according to Article 5 of Paragraph 1 of the articles of the agreement of the Fund

II. The financial agency according to Article 3 of Paragraph 2 of the articles of agreement of the Bank

III. The channel of communications according to Article 4 of Paragraph 10 of the articles of the agreement of the Corporation

IV. The Channel of communications according to Article 2 of Paragraph 10 of the articles of the agreement of the Association

V. The channel of communications according to Article 39 of the convention on the principles of the Agency

b) To declare the National Bank of the Azerbaijan Republic to be the bank of deposits for the Fund, Bank, Corporation, Association, and Agency in the national currency of the Azerbaijan Republic.

7. a) To appoint the minister of finance of the Azerbaijan Republic as fund administrator from the Azerbaijan Republic and the president of the National Bank as his deputy.

b) To appoint the president of the National Bank of the Azerbaijan Republic as bank administrator from the Azerbaijan Republic and the president of the International Bank of the Azerbaijan Republic as his deputy.

8. The present ukase is to be submitted for the consideration of the National Assembly of the Azerbaijan Republic.

[Signed] President of the Azerbaijan Republic Abulfaz Elchibey
Baku, 18 August 1992

Cooperation To Be Established With Israel

92US0873C Baku BAKINSKIY RABOCHIY in Russian
2 Sep 92 p 2

[Report on interview with Vafa Gulizade, state adviser of the Azerbaijan Republic on questions of foreign policy, by unidentified correspondent; place and date not given: "Azerbaijan-Israel: The First Step Toward International Cooperation"]

[Text] "The experience gained by Israel during the period of construction of its state could be applicable to Azerbaijan today as it is being restored after the collapse of the communist empire," said Vafa Gulizade, state adviser of the Azerbaijan Republic on questions of foreign policy, in an interview with a correspondent upon returning from Israel.

This was the first official visit from a state official of independent Azerbaijan to Israel, which was organized on the initiative of the World Zionist Organization. The purpose of the visit was to learn in detail about various aspects of the life of this state and to create favorable conditions for arranging bilateral interstate cooperation in the areas of politics, economics, science, and culture.

"The policy of the former USSR in this region was directed not toward peace but only toward confrontation with the United States," noted V. Gulizade. "And all actions and political steps of that time have to be considered in precisely this context. With this kind of antagonism, naturally, there could be no talk of peace and harmony. Now the USSR no longer exists. There have also been changes in the policy of Israel, where a new government is now in power. The conflict is looked upon differently in the United States as well." And today, in the opinion of the state adviser, there have appeared real preconditions for a peaceful resolution to the Near East problem. "As for Azerbaijan's position, our foreign policy will be constructed on the basis of peaceful cooperation with all countries of the world, including Israel and the Arab countries," he emphasized.

"In meetings I had a great deal of detailed discussion about the Karabakh conflict, its history, and the present situation," V. Gulizade continued. "One must say that we have not always received understanding and support from the Israelis. It turns out that here they are following with great interest the development of events not only in Karabakh but also in the political and economic life of Azerbaijan. I found the prognosis of Israeli political scientists regarding the viability of the republic's current political leadership to be extremely curious. They think it will withstand the test of time for at least two reasons. As of today there is no alternative program for development and there is no social force capable of usurping the present democratic authorities."

[Question] And what do you think about that?

[Gulizade] On the whole I agree with the conclusions of the Israeli political scientists. I would add only that the transition from the communist regime to democracy, in spite of the predictions of our enemies, is proceeding without bloodshed. Their presumption that there would be a civil war has not been and is not being justified. The wisdom and maturity of our people can be the guarantee.

[Question] Vafa, what did you manage to accomplish during the course of your visit?

[Gulizade] While in Israel I gave the country's prime minister, Yitzhaq Rabin, an official letter from the president of Azerbaijan. I also had a meeting with Foreign Affairs Minister Shimon Peres and other political and social figures. During the course of my visit I learned in detail about the experience in the construction of the state of Israel, how the government and army were constructed, how the economy and science developed, and how national-patriotic propaganda is arranged.

Before departing for home, having been authorized by the president of Azerbaijan, I officially invited representatives of the Israeli parliament, the Ministry of Foreign Affairs, and also the Ministries of Energy, Infrastructure, Science, and Technology to visit Azerbaijan. Thus the first step to interstate cooperation has been taken and I have an optimistic view of the future of its development.

Gambarov on Musavat Party Program, Goals

92US0873D Baku BAKINSKIY RABOCHIY in Russian
5 Sep 92 pp 1, 3

[Interview with Isa Gambarov, chairman of the Supreme Soviet of Azerbaijan and leader of center for restoration of the Musavat party, by AZERINFORM correspondent A. Akhmedogly; place and date not given: "The Musavat Party: Yesterday, Today, and Tomorrow"]

[Text]

[Akhmedogly] Isa, as we know there is no doubt about Musavat's services in the history of Azerbaijan of the 20th century. Having become the organizing force of the national liberation movement, it played a large role in the creation of the Azerbaijan Democratic Republic. What were the principles on which this party's program and activity were based?

[Gambarov] As one can deduce from the program of the Musavat Party, which led the national liberation in Azerbaijan at the beginning of the century and laid the foundation for our state independence, it relied on three basic principles: freedom, democracy, and independence. One must especially note that as compared to certain politicians who have declared themselves to be "heirs" of Musavatism, the party's founders did not separate these three principles from one another but took them in their unity and interconnection.

According to the convictions of the Musavat leaders, it is possible to achieve real national independence only through unwavering adherence to the principles of freedom and democracy, and they have remained faithful to them in their activity. And this is why the democratic society created in our country at that time and the Azerbaijan Democratic Republic which has existed only 23 months could equal not only the majority of Eastern countries but also many European states. The parliament, which is elected on a multiparty basis, the coalition character of the government, the freedom of speech, the equal rights between men and women, the separation of religion from the state, and the independence of the judicial, legislative, and executive powers—such are the distinguishing features of this society.

Predictably, the ideological basis of Musavat, which transformed the word Azerbaijan from a geographical concept into a political one and printed it on the political map of the world for the first time, were the ideas of Azerbaijanism. Its main goal, assertions to the contrary notwithstanding, was not the creation of a monolithic Azeri nation through the assimilation of small ethnic

groups from among the Azeri Turks, but to rally all peoples residing in Azerbaijan—Azeri Turks, Talyshes, Tats, Kurds, Lezgins, Jews, Russians, and others—around the idea of a unified Azerbaijani state. As the great M.E. Rasulzade noted, "All citizens of Azerbaijan, regardless of ethnic and religious differences, are children of one homeland. In order to build a life together and achieve happiness together in their common homeland, they lend a helping hand to one another."

[Akhmedogly] How did the Musavat Party, which was forced to continue its activity in exile after the occupation of 27 April, maintain contact with Azerbaijan?

[Gambarov] The Musavat Party was one of the main targets of the Bolsheviks, who came to power as a result of the occupation of the republic on 27 April. The majority of the party's leaders and rank-and-file members died in Bolshevik torture chambers and the rest were forced to flee. But even in the face of brutal persecution the Musavat Party conducted underground activity right up until 1923. Only then did the Bolshevik cheka manage to discover the party's underground structure, and after its members were arrested Musavat was forced to move its basic activity abroad. There is no doubt that Musavat was unable to maintain extensive ties with Azerbaijan under the conditions of the Iron Curtain which surrounded the former USSR. In spite of that, the party's leaders did everything possible in order not to lose contact with the homeland and to influence the processes taking place in Azerbaijan. In recent years the warming of the political climate, which began as a result of the Gorbachev reforms, the origination and growth of the people's movement in Azerbaijan, the strengthening of the struggle for independence and then its achievement, and the collapse of the Soviet empire made it possible for the party, which was in exile, to strengthen contacts with the homeland. Musavat honorably fulfilled its historic mission, preserving as the apple of its eye the ideals of the freedom and independence of Azerbaijan and handing them down to the present generation.

[Akhmedogly] Can the present leaders of the Azerbaijan Republic consider themselves heirs of the Azerbaijan Democratic Republic? If this is legitimate from a moral standpoint, how justified is it from a legal one? And can one say how relations will be between the Musavat Party and the authorities after it is finally formed?

[Gambarov] One can say without exaggeration that if the process of national revival, which was begun at the beginning of the century and ended with the creation of the Azerbaijan Democratic Republic, is linked to the name of the Musavat party, in the modern stage of the history of Azerbaijan this role is played by the People's

Front of Azerbaijan [NFA]. And if one takes into account that the leadership of the present Azerbaijan Republic basically consists of NFA leaders, naturally they have a right to be called heirs of the Azerbaijan Democratic Republic. As for the question of the relationship between Musavat and the present authorities, in our opinion there are no significant differences between the intentions and goals of the new leadership of Azerbaijan and the Musavat, and therefore the restored Musavat party will strive for close cooperation with republic authorities.

[Akhmedogly] Isa, the highest Musavat party organ will soon move from Ankara to Baku. What measures does the Center for Revival, of which you are in charge, plan in this connection? How does the Musavat Party that is being restored in the republic differ from its predecessor?

[Gambarov] We must not underestimate the problem of the restoration of the activity of the Musavat Party in Azerbaijan and reduce it to the transfer of the highest party organ from Ankara to Baku. We are speaking not about a mechanical transfer of the leadership organ to Baku but about the creation in the country of the strongest organizational structures which are capable of spreading among the broad masses the traditional political and ideological values of Musavatism and the historical legacy of Musavat. The Center's main task is revival: Having accelerated this process, we must complete it in the shortest possible period of time, hold the III (Restoration) Party Congress, and adopt program documents.

In terms of its main goals and the strategic direction of its activity, the revived Musavat is not very different from its predecessor. At the same time the party's goal remains unchanged—the creation in the community of peaceful states of a democratic, independent, whole, and strong Azerbaijani state, which occupies a worthy place in the world community.

During the period when processes of party development are being accelerated and more and more new parties are being created, we wish to remind our political opponents of the words of M.E. Rasulzade at the opening of the parliament of Azerbaijan on 7 December 1918, which have not lost their meaning even in our day: "Today in the presence of the ideals of homeland and people we must reject all partisan passions, personal animosity, and other such base motivations. Standing above all should be concern for the homeland and thoughts about the nation."

The Musavat Party in its activity, remaining true to these principles, places the interests of the Azerbaijani state above all else.

[Akhmedogly] Thank you for the interview.

National Parliament on Crime, Caspian Sea, Procuracy*92US0817A Baku AZERBAIJAN MUELLIMI in Azeri 17 Jul 92 p 1*

[Article by Azerinform: "At the Meeting of the National Mejlis"]

[Text] On 14 July Isa Gemberov, chairman of the republic Supreme Soviet, proposed that the report of the Azerbaijan delegation on the Rome meeting of representatives of 11 countries be heard at the beginning of the regular meeting of the National Mejlis. Peoples deputy Nadir Mehdiyev gave information about this meeting.

Then information was heard on the progress of the investigation conducted by the Procuracy of the Azerbaijan Republic into the criminal affairs which occurred in Baku on 14-15 May. While the creation of a special commission was suggested in connection with this, it was not accepted. It was proposed that the republic Procuracy give regular reports to the National Mejlis in connection with the investigation.

The deputies decided that the Azerbaijan Republic will join in the international convention on civil aviation.

The National Mejlis passed a decree to send a deputy delegation to the Lenkeran-Astara region in order to assess the damages to the population and economy as a result of the rise in sea level in this region.

The deputies discussed the issue of the sixth paragraph of the presidential decree issued on 1 July 1992 and decided not to enforce this paragraph of the decree until the issue had been examined at the appropriate commission.

Sabir Rustemkhanly, member of the National Mejlis, read a declaration to the republic leadership by representatives of Azerbaijan's press. Demands are put forward in the declaration connected with the financial difficulties confronted by the press. The National Mejlis decided that the questions raised by republic journalists should be discussed in detail by the relevant commission.

Book on Elchibey Published in Turkey*92US0817B Baku AZERBAIJAN MUELLIMI in Azeri 17 Jul 92 p 2*

[Article by Yusif Seyidov: "Thought About A Book"]

[Text] When leafing through the book "Ambassador of Freedom of the Turks of Azerbaijan Ebulfez Elchibey," prepared by Professor Kamil Veli Nerimanoghlu (Kamil Veliyev) who played an active role in the strengthening and broadening of Azeri-Turkish scientific and cultural relations, and published by the Turk Dunyasi Aras-dirmalari Vakfi (Foundation For Studies Of The Turkic World) in the Common Turkic literary language in an excellent edition, the life of an Azeri and great son of the Turks who devoted his life to the liberation struggle of his people passed before my eyes like a film. The book's

author takes this life from the mother's embrace ("From what does the Fatherland begin?") and brings it to the summit of the great Turkic world and reveals the position of the guerrilla fighter in the Turkic world with answers to the question "Who is Ebulfez Elchibey?", which is strengthened by constant repetition, and defines his place in the series of strugglers for freedom.

Outside the Turkic world, Ebulfez Elchibey reminds one more of Mahatma Gandhi. Words written by the great thinker when he was 17 years old come into memory: "Man's nature is such that in order to perfect others, he reaches his own perfection by working for the happiness of his contemporaries. If a person only works for himself, perhaps he can become a great scholar, a great thinker or a very good poet, but can never be a perfect and great man in the pure meaning of the phrase. History considers those men great who ennoble themselves by working toward a common goal; whoever causes the most men happiness, life elevates him as the most fortunate of men."

Ebulfez Elchibey, by working for others, has himself reached perfection and became a great man.

In the book Ebulfez Elchibey's life and road of struggle is given with all the ties and difficulties within the general background of social and political life and action. This background helps to describe events as they were and to understand the meaning of the struggle. E. Elchibey began this struggle in the first years of the 1960s.

If we recall for a moment that after the putsch in Azerbaijan in 1920, no matter what the appearances, the people's life was conducted in fear, the arrested and the arrestors extended as far as the eye could see, comrades refrained from opening their hearts to each other, an idea which appears normal today was interpreted as a hostile position, the feelings of protest which rose up in the heart were suppressed and destroyed, as were their owners. The KGB and its Armenian workers who were its basic force wormed their way into the soul of Azerbaijan's people. M. S. Orudbadi, seeing the repressions of the 1930s, said "There were more anti-narod than narod."

Although a light breeze was felt after 1953, especially after 1956, everything went on in the old way. The time awaited its son, its struggle. E. Elchibey started on his road of struggle under these conditions and never turned back, not even for an instant.

Elchibey, who believed in a free future for his people even then, answered a French journalist's question in this way: "There is no doubt that Azerbaijan is a colony. The Azeri Turks will receive the freedom of which they are worthy. Not much remains in the life of the Soviet empire" (pp. 19-20). This was courageous and farsighted.

Now the idea has spread in the world that E. Elchibey had the ability to foresee events. It is not by chance that in the first days of M. Gorbachev's government E. Elchibey said: "This man will break up the empire" (p. 63). In order to determine the legitimate results of the course of events and foresee them, one does not have to be an astrologer, one only needs to be informed in logical-political thought and analytical concepts. Kamil Veli writes: "Because Bey is a great man of the world, to

which he is connected not only by his feelings and perceptions but by his thought and ideas, he could only evaluate the world's laws through his logic" (pp. 44-45).

In our opinion, E. Elchibey's political activity can be divided into three parts.

First. The first was a relatively disorganized period when Ebulfez taught at the university and spread his ideas among the students. His lectures went outside the bounds of a dry program. His students received from these lectures and talks a lesson in life and studied the paths of political struggle. But this did not escape the eyes of the secret police. This period of Elchibey's political struggle ended in prison. Ebulfez, who wanted his people's freedom, was deprived of his own freedom. One episode in the book shakes the reader. This is an example of a letter from his mother. Look at the contrast: the mother, who a little earlier had been filled with pride when her son was accepted into and graduated from the higher school, wanted her son to forget everything and return and return to his mother's embrace.

But she was not a superficial mother and could not know then that he, leaving his nest and crossing many horizons, had turned into a traveller into a future which was inconceivable for many and that no power could make him turn from this road. His mother did not know and could not know that this road had begun at her own door and could not foresee that this would turn into the life we lead today. The mother felt instinctively the agonies and deprivations of this road. But she did not know and could not know that this tortuous road, filled with enemies on every side, led towards the light. Although her son set forth on this road alone, he would convey to the masses the ideas of Turkism and Islamism, that all Azerbaijan would join him, and that the Turkic world would vote for him. How could she have known that her son would fly the three-colored flag of independence which had been raised by Memmed Emin and preserved until his last breath again in the skies of a free Azerbaijan. How could she have known that the anthem of the first independent Azerbaijan Republic, composed by the genius Uzeyir and written by the prominent poet Ehmed Javad, would be revived.

Prison was a kind of trial school. Neither the interrogations nor the judgment nor the dungeons of the KGB could bend the fearless E. Elchibey. Elchibey's interrogators were puzzled by his logic, his great resources and his world of political ideas, and they tried to weaken him further. Prison ended with Elchibey's spiritual and political victory. He gained the respect of the people, broadened the arena of struggle, and his ideas influenced more and more people. Elchibey considered that: "Being in prison can explain many things to the struggle, especially to the youth. Holding on, even dying for an ideal in which one has faith, is happiness" (pp. 39-40).

The traitors who imprisoned Ebulfez, not being satisfied by this, tried to cast aspersions on his comrades and colleagues. Ebulfez looked at these and considered them

to be powerless, noxious weeds sentenced to destruction. Kamil Veli provides one of Elchibey's instructive ideas in the book: "The philosophy which I accept and in which I believe is the Islam-Turkic philosophy. From the viewpoint of that philosophy the people who would sell me out appear very small indeed" (p. 39). There were two kinds of traitors: those who betray the people and those who are official colleagues of the administration ruling from Moscow. Although they are involved in betrayal, they are fulfilling their duty. They were visible traitors. The other traitors were different. They were voluntary traitors. Treason exists in their souls and blood. As these are more dangerous, they are worthy of more contempt. When "prominent" higher school teachers and scholars join in this accursed work, history is unable to find a name for them. Unfortunately, these teach university students; we have seen it. And their wives and children hold to the same road; they pass the days in slandering other people.

Elchibey's second period of struggle began after prison and continued until the years 1986-1987. Although it was one of the most difficult and frightening periods, his ideas found fertile ground and spread. M. Gorbachev's government and his reforms brought fresh air into the country. Ebulfez saw before many that the foundations of the empire were crumbling.

With the destruction of the Soviet Empire, conflicts began in the realm of ethnic relations in the Union; the Armenians were at the forefront in this matter, the Nagorno-Karabakh question came to the fore, the Topkhana forest was destroyed, and the expulsion of Azeris from the Republic of Armenia began. The Azeri people rose up and flooded into Baku like a storm. Kamil Veli correctly writes:

"November-December 1988 was an important period in Azerbaijan's history. Azadlyg Square was turned into an arena for demonstrations night and day. The cry 'Freedom! Freedom!' shook Baku. The demonstrators' chants 'Live, Azerbaijan!', 'Freedom!' and 'Karabakh!' worked on the marrow of men's bones."

Ebulfez Elchibey stood at the head of this movement which encompassed Azerbaijan and shouted its cry, never before heard in history, to the Near East and the entire world; he was the theoretician and the organizer of the movement. This was the third period of the struggle. The APF [Azerbaijan Popular Front] is a product of this period. At this point we would mention that there is detailed information in the book of the APF, its structure, statutes, path of struggle and other things.

The APF, led by E. Elchibey, turned a blind people's movement into an organized national liberation struggle, and began the pure fight against foreign and domestic enemies and the traitors. Despite the difficulties, deprivations and deaths, the movement did not cease; it trained ever newer leaders and, finally, gained victory.

Ebulfez Elchibey was the first president elected democratically by all the people of a free Azerbaijan.

We read in the small, yet rich in content foreword to the book by Professor Turan Yazgan: "Elchibey's election was not limited by Azerbaijan. One must point out over and over again that it was a vast election, encompassing the 250-million-strong Turkish nation."

Recently, E. Elchibey's speech before the Turkish Great National Mejlis confirmed T. Yazgan's words once again.

This comes from the fact that Elchibey views the Turkic world as a whole. His belief is that "there is no Uzbek, Tatar, Azeri, Kazakh...history or culture outside of common Turkic history, culture and literature."

The struggle continues. The voice of the Azerbaijan national liberation movement reaches very far, and has turned into a common Turkic event. The respected 250-million-strong Turkic world stands to its feet and applauds this movement.

Teacher on Handling Minority Languages

92US0817C *Baku AZERBAIJAN MUELLIMI in Azeri*
17 Jul 92 p 3

[Article by M. Guliyev: "Languages of Minority Peoples"]

[Text] Democratic reconstruction, by being implemented in our country, has opened broad possibilities for the development of national cultures and languages. Now every individual has the right to speak, raise his children, and educate them in whatever language he wishes.

The study of the languages of minority peoples attributes great importance to the role of friendship and mutual cooperation of peoples and nations as reflected in the latest decrees and directives of the higher organs of our republic and in the observations of progressive-thinking world intellectuals and in the education of the workers in an internationalistic and patriotic spirit.

Now the mutual study of languages is necessary for the development of peoples' interest in one another, the increasing of trust, and an understanding of the fate of mankind.

It is necessary to create a proper speech culture in this sector through educating minority peoples living in the Azerbaijan Republic (Talysh, Lzgian, Avar, Sakhur, Kurd, Tat, Udin and others) in the Azeri (Russian) language.

Pedagogical research shows that a school student with no knowledge of his mother tongue and who does not possess fluent reading capability will be unable to study and understand the fundamentals of other realms of knowledge sufficiently and will be unable to express what he does know in a clear manner. This has a negative influence on his general intellectual development.

Students studying minority languages who master the written and oral speech, the establishment of their competence to use words independently and correctly, as well as other factors, assures their success in the educational process.

The concept drafts prepared in connection with uninterrupted education in Azerbaijan and the law on education have in mind general education schools for all minority peoples (Talysh, Kurd, Lezgian, Avar, Sakhur, Udin, Tat and others) living in compact groups in the republic. In accordance with the teaching plan submitted by the Ministry of Education of the Azerbaijan Republic two hours a week are allocated in grades 1-4 for teaching the languages of minority peoples.

The goal in teaching languages of minorities in the elementary classes is reading conscientiously, correctly, quickly and expressively, writing literately, fluently and quickly, mastering correctly the oral and literary accent, acquiring knowledge of examples of folklore pertaining to minority peoples, being able to work with books, studying the people's relationship to the characteristics and national traditions and the historical past of the territory in which they live, and becoming acquainted with nature and plant life; mastery of a beautiful and correct speech culture in the languages (Azeri, Russian) in which the children study is equally important.

Since the demands placed on teaching minority languages are the same, one can say that the teaching programs encompass the same parts: teaching literacy, reading, grammar, correct writing. The general principle fundamental to each of these parts is the development of speech.

One needs to recall to classroom teachers at the August conference that training habits relevant to speech development in every part was planned.

One must consider that stressing the mutual relationship between fields of knowledge and exploiting this widely in the work give the best results in the teaching process because if the student knows his mother tongue well he will encounter no serious difficulty in studying the language in which he is being taught. Thus, in areas without a language environment it is advisable that classroom teachers know the rules of the students' mother tongue (Talysh, Lezgian, Kurdish, etc.).

Based on the experience of advanced teachers in the classroom, the basic demands of teaching literacy, reading, grammar and writing must be analyzed and discussed with the active participation of the classroom teacher. Taking into consideration the shortage of teaching materials in minority languages, it is recommended to methodologists and joint method leaders of the Ministry of Education departments that they use teaching programs and recommendations acquired from the work experience of advanced teachers in the classroom competently and creatively. Topics of patriotism and heroism taken from the textbooks of neighbor republics should correspond to topics pertaining to local

conditions, social and political life, cities and villages; if they do not, they should not forget to change them.

The successful study of minority languages will depend on the daily creative and responsible activity of local education organs, school leaders and, fundamentally, the creativity of diligent, patriotic advanced teachers.

Academician on Republic Contacts in Iran

92US0817D Baku AZERBAIJAN MUELLIMI in Azeri
24 Jul 92 p 2

[Interview with Sekhabet Ismayylov, director of public affairs of the Scientific Library of Baku State University, by Flora Khelilzade: "Days Turning Into Memory"]

[Text] Sekhabet Ismayylov, director of Public Affairs of the Science Library of M. E. Resulzade Baku State University, was in Iran for three months in connection with his scientific work, and while there, participated in meetings at various levels with higher school teachers, well-known intellectuals and poets, and student youth. His impressions of the journey interested us. Below we present our interview with him.

[Khelilzade] Perhaps you would say a few words about yourself.

[Ismayylov] At the end of March I crossed from Astara into Iran's territory. As I travelled I saw fields planted with rice, smooth and comfortable roads, even lighted and wide tunnels. In short, we travelled from Erdebil and I reached the city of Germe. Azeris live in this city. After meeting with my relatives, I set out for Tehran.

Tehran is a large industrial city with 14 million inhabitants. After Tokyo, it is the second "smokiest" city. Although there are no ancient buildings, Tehran is very beautiful, the streets are clean, the people are hard-working and diligent, and most of the population is clean, honest and courteous.

[Khelilzade] Which was the first higher school you went to?

[Ismayylov] Tehran University. Many Azeri students are studying at this higher school. Azeri youth coming from the territory of Southern Azerbaijan—Germe, Bilesuvar, Parsabad, Tebriz, Erdebil, Urmiyye, Hamadan and other cities—are educated here. Azeris are studying in the faculties of sociology, law and economics. Every faculty has its own dormitories. There are two people to every room. There are all kinds of conveniences for students.

When I was in Tehran the first time, permission was given to hold a poetry evening in the Turkish language. I was also invited to this evening. At that time our Azeri musicians also came to Tehran. The conductor informed me that the tarz player Ramiz Guliyev and the singer Hajybaba Huseynov would take part in the evening.

Everybody was very happy, but unfortunately our musicians did not come to the evening. The children were very disturbed.

I had never seen an auditorium this magnificent. Everyone applauded when I was introduced, and praised me. First, I conveyed greetings from Azerbaijan, then I gave talks on the sociopolitical processes, the deep political crisis, the Karabakh conflict, and the Khojaly tragedy. Then I began to recite poetry. Fortunately I know close to 1,000 poems by heart. I began with Almas Ildyrym's poem "The Slave Azerbaijan," and then I recited poems by M. Araz, Kh. Rza, S. Rustemkhanly and others. Some in the audience were even weeping.

After the poetry evening the poets invited me to their own homes. I would note that prominent poets and writers also took part. As for me, I preferred to remain in the dormitory with the youths. Imagine how much they appreciated it!

Other than this we held meetings in a number of universities. The interest in us of our brothers on the other shore is great. They are following the social-political processes going on with great interest, and they sincerely weep about the war going on on our soil. The national awakening among the Azeri Turks is very powerful. I brought a videotape of the poetry evening. Here everything is seen clearly. We have many fearless and brave brothers and sisters. All are living with the hope of one Azerbaijan. They are tying their hopes to us.

[Khelilzade] A brother must listen to his brother's voice. But our brothers on the other shore are still uninformed about our tragedy and catastrophe.

[Ismayylov] We must not disappoint them; on the contrary, we must explain to them. But the laws of the existing regime are very strict.

[Khelilzade] Could you say a few words about education?

[Ismayylov] The educational process is both free and private. Youths study at the university by means of a competition. Others are also accepted through competition, but pay education fees to the state. In other words, paid education. The students are very literate and knowledgeable. Certainly, a lot of time is devoted to lectures on religion. This is natural. There are separate higher schools for girls. The scope of interest of girls is very wide and rather literate. One cannot equate them with our university students.

[Khelilzade] Did you have other meetings?

[Ismayylov] I took part in a meeting of the "Aid To Karabakh Muslims" Committee in Tehran. The chairman of the committee is Ali Kamali. Money is donated and collected for aid to Karabakh. A patriotic intellectual named Hesen Rolindi collected 10,000. The committee also makes recommendations to the Tehran government. The same process is occurring in Tebriz. Thank you to our Southern brothers.

[Khelilzade] On 1 May a mourning meeting was organized in Tehran, at the Azeri Mosque, for Muslims who died in Karabakh. Essentially, this was a protest meeting. Later, students at Tehran University, mostly Azeri Turks, held a protest meeting. I took part in this meeting. At first, we gathered in the mosque at the university. There were speeches. Then we went to the university gardens. We went into the streets chanting the slogans "Down with Armenia," "Karabakh is Azerbaijan's," and "Armenians and Russians out of Karabakh." I got together and passed out our national flag and our "Boz Gurd" [Grey Wolf] emblem. Now they all have our national flag. I displayed our map. They were very interested in the map of Karabakh. It would be a good idea if everyone going to Iran took along a map.

Our book exhibit opened. It was very poor. Our Southern brothers were dissatisfied. There should have been some youths giving out information at the exhibit on our literature, culture, history and other sectors. It is a pity it was so poorly organized. They wanted books by Khelil Rza and Memmed Araz, but there were none at the exhibit.

[Khelilzade] We are all longing for Tebriz in our hearts. Were you fortunate enough to have gone there?

[Ismayylov] After staying for two months in Tehran, I went on to Tebriz. Tebriz is a beautiful and magical city. I visited the grave of our great poet Mehemmed Shehriyar for the first time. I met a number of intellectuals. After Tebriz I went to Erdebil. Here I met some poets and went to the university.

[Khelilzade] Could you say a few words about our intellectuals in Southern Azerbaijan and inform our readers about them?

[Ismayylov] I met our great Turkic scholar Eli Tebrizi in Tehran. He is a man who is a writer and poet, literate and extremely well informed. His book "Language And Literature" is very famous. I brought some of these books to Baku. There are also beautiful poems by the young poet Nesiri about Karabakh. I also became acquainted with the young patriot Yashar Bey. They were all students of Eli Tebrizi.

The scholar and Minister of Justice Eli Kamali, whom I met in Tehran, charmed me. He is the chairman of the Karabakh Committee. Eli Bey has done research on our great Turkic poet Tilimkhan. He collected many sources as the result of 28 years of research. I was also glad to meet the talented publicist Hesen Rolindi and Ebduleli Mujeyi. The Doctor of Juridical Sciences Kayi Zakiri and I quickly became friends. He is a very patriotic person. His poem "Karabakh" is famous in Iran. I heard this poem for the first time at the mourning meeting organized for Karabakh Muslims at the Azeri mosque in Tehran: "I will never leave our native soil./ Azerbaijan, your army on the road to war./ Truly you are a country of heroes."

I met with Professor Gulam Begdeli at a poetry evening held at Tehran University. A very good and rich man. He was interested in my conversation with the poet Sonmez. His book, "The Blackbird Waits For Spring," was published here.

We have many excellent scholars and poets in Tebriz. Each of the intellectuals I met and listened to was impressive. When I parted from them I began to get bored after a few days in my own Baku. Now I will invite our brothers from the other shore here. In the heart of everyone from Tebriz there is also a longing for Baku. Insha'Allah, we will celebrate the Victory together.

[Khelilzade] Now the heart of every Azeri is beating with this goal: may there be a rapid Victory!

Turkish Center Translates Book on Islam

92US0817E Baku AZERBAIJAN MUELLIMI in Azeri
29 Jul 92 p 4

[Article by Mirzagha Aghayev and Yunis Yusifov: "Principles of Islam"]

[Text] We lived in the USSR for 70 years isolated from the world and we tried to educate the young generation in the spirit of atheism based on the Marxist-Leninist ideology. The struggle against religion was conducted in all educational institutions and we indoctrinated the young generations, one after the other, with the claim that religion is a fantastic reflection of reality. Religion is the opium of the people. Science contradicts religion, there is no science in religion, etc.

Is this not correct?

"Islam and modern science are like two faces of one truth. Religion and science complement each other like spirit and body. They guarantee the wellbeing and happiness, comfort and security of society. Religion tells mankind the correct paths. As for science, whose goal and objective is known, it casts illumination before it on these roads like a torch."

The selection above was taken from the book "Principles Of Islam" by the famous Turkish scholar Ali Kamal Belviranli. The reader will certainly know the fundamental truth after reading this book.

From the first page to the last, it calls on the reader to believe in Allah, to relate to the Prophet, to embrace the Koran, to adhere to Islam, to support science and to become a virtuous and knowledgeable Muslim because belief in Allah is to not be distanced from justice, to not tend to tyranny, to not bow to treason, to allow no opportunity for misunderstanding, and to know friend from foe.

Those adhering to Islam will become wise and peaceful, patient and steadfast, hopeful and pious, knowledgeable and ethical, and, finally, educated and enlightened.

The Islamic religion forbids the drinking of wine, gambling, giving in to passion, and being engaged in useless work, and curses those who, taking pride in money, beauty or position, lead their lives without thinking of the poor.

The author believes that, in truth, the Islamic religion is itself a moral masterpiece. It is based on healthy thought and science. Thanks to this religion, man's intelligence, logic, wisdom and will are organic. Its spiritual horizons stretch over worlds.

Eleddin Eliyev, candidate in philological science and director of the methods of teaching literature and languages at the Azerbaijan Chief Institute for Advanced Training of Pedagogical Cadres and Retraining, who was on official creative assignment in Turkey in 1991, translated the "Principles Of Islam" from Turkish into our language and it was published in Istanbul with the help of the Research on the Turkic World Foundation.

This book, which is well put together and consists of 53 sections and 157 pages, is written in a question and answer style.

We express our gratitude to the author Ali Kamal Belvironli and the translator Eleddin Eliyev for the book "Principles Of Islam" which purifies our ideas and soul.

At this point we would note that by reprinting it certain orthographical and stylistic mistakes, permitted because of the difficulties of the Cyrillic script, would be eliminated and the "Principles Of Islam" would be turned into a much better product.

Sakhur Culture Center Opens

92US0817F Baku AZERBAIJAN MUELLIMI in Azeri
31 Jul 92 p 2

[Article by Azerinform: "Center for Sakhur Culture"]

[Text] The Sakhur Culture Center, which is beginning activity in Zagatala, unites the more than 12,000 representatives of this people in the Sheki-Zagatala zone, as well as the thousands of other Sakhurs living outside the region.

The program of the new cultural center plans to implement all-round measures for the socioeconomic development of the villages in which the Sakhurs live. Special concern and attention will be given to providing sanitary facilities to the villages, restoring historical and cultural monuments and reviving the ancient folk customs and traditions.

Pashazade's Book on Islam in Caucasus Reviewed

92US0818B Baku AZERBAIJAN MUELLIMI in Azeri
5 Aug 92 p 4

[Article by Abdulla Ehedov: "Islam in the Caucasus"]

[Text] Two books which gained the author a doctorate in historical sciences were discussed at the science council of the Institute of History of the Azerbaijan Academy of Sciences on 15 July 1992. Sheykhulislam Allahshukur Pashazade was found worthy of the degree of Doctor of Historical Sciences for the books "Islam In The Caucasus" and "Hummet And Shu'ubism in Islam."

The book "Islam In The Caucasus" is a product of ten years of research and is an extremely valuable and needed work. In the book the author discusses the history of Islam in the Caucasus—the unity of religion and culture, the mutual usage of Arab and local cultures together with the spread of Islam in the region, the changes which took place in the ideas of the population, and factors leading to a separation of thought from the unity of creed, namely, shu'ubism [the impact of the non-Arab peoples on Islam] and the Muslim tariqat [sects].

It must be considered that the book was written for the clergy and those interested in religion; thus it is only natural that the author turns often to the Koran and other religious sources and that, in general, the work is written in a religious spirit.

In the first chapter of the book, which discusses the history of religion and culture, the author devotes a lot of space to philosophical thoughts and states original ideas on the role of the personality in history and the decisive position of the people's masses. In his opinion, "it is necessary that the subject of historical research deal not only with the life of rulers or prominent personalities who are known to us, but with the activity of the masses." When he discusses cultural history, he considers it correct to consider it a factor encompassing the economic, political, social, mental, moral and religious aspects of society.

In the opinion of the Sheykhulislam, religion constitutes the nucleus of spiritual culture, but although religion influences culture, it is not part of it, it stands outside, but the mutual unity of religion and culture is inescapable. It is not by chance that a social crisis occurs when the relationship between the material and spiritual bases are disturbed. This concept corresponds with the dialectic of the foundation and the superstructure, but in order to demonstrate the relationship between material and spiritual culture the Prophet uses a hadith: "One can envy two people: to one Allah grants possessions and power and makes him master of his own death; to the second he grants wisdom, and, thanks to this, he is the master of his own life."

The second chapter of the book, which discusses the spread of Islam, begins by showing the great historical importance of Islam's first centuries. The author states that the ideals created in this period shed light on our conduct today, and emerge as its criteria. It is expressed correctly in the book that while there was a hostile attitude to Islam up to the 19th century, there is a great need for its clarification today. That this hostility continues he proves by using a book by the English author Salman Rushdie, "Satanic Verses." In a number of scientific works which are considered to be objective the fact that the Islamic religion is presented as an accidental event is clarified with concrete facts.

It is demonstrated in the work that the territory of the modern Caucasus is one of the most ancient centers of world civilization. Civilized states of the Caucasus, such as Caucasian Albania, Iberia (Georgia) and Armenia, were exposed to the pressure of its powerful neighbors, Iran and Byzantium, and lost their political, economic and cultural stability; the fact that in Albania (Azerbaijan) the monophysite Christian church was subjected to the influence of a paganism in which local tribes worshipped their ancestors is explained believably. Characterizing the complex religious conditions, the Sheykhulislam expresses ideas on Zoroastrianism and its offshoots, Manicheism and Mazdakism, in the pre-Islamic Caucasus based on modern scientific sources and data and presents his views of them. Nor does he forget that in Caucasian Albania, Christianity was raised to the level of a state religion. The author correctly writes that during Islam's spread in the Caucasus the peoples living here had their own developed culture, philosophical awareness connected to ancient traditions and their own rich religious beliefs.

Until recently the official opinion in scientific-philosophical circles has held that Islam was spread in the Caucasus through force of arms, the peoples of the Caucasus showed powerful resistance to the Arabic conquest, and that the Arabs had to occupy the territory a number of times. The Sheykhulislam does not agree with this idea and claims that the local population, sick of external pressure and internal clashes, accepted Islam voluntarily, but does not deny that armed clashes did take place, but finds the cause for these not in the Islamic religion but in mistakes in the actions of certain individuals.

The Sheykhulislam, who expresses his opinion on the peaceful spread and acceptance of Islam, writes that one can compel a man to do something, but cannot compel him to believe. This idea is expressed very clearly in the Koran, in verse 256 of the sura Al-Baqara: "there is no compulsion in religion," and in the question of belief Islam allows for one's conscience; it is ordered in the 29th sura of Al-Kahf: "May whoever wants come into the faith, and may whoever who wants remain an unbeliever."

It is stated in the book that Islam only calls for a fight when the fatherland, religion and human rights are in danger, but gives the advice to not forget efforts for peace. It condemns the use of pressure for political goals

because Islam does not consider it right when the conquest of territory in order to spread Islam is turned into a basic goal. In religion it is affirmed that no one is to be given any authority on the basis of the color of his skin or a difference in language, and the widely spread idea that Islam divides the world into two parts—the Muslims and the nonbelievers—is false.

Along with explaining the historical hadiths the Sheykhulislam has studied the principles of tovhid [unity with Allah] and other concepts and tries to convey them to the reader and, in my opinion, succeeds in doing this.

In the work's third chapter, "Change in Thought: From a Unity in Ideas to a Difference in Opinion," the Sheykhulislam tries to demonstrate that Islam is a product of historical necessity and a law in mankind's history, and claims that from the Rashidi Caliphate to the death of Ali constituted one period of Islam, and that then a new period began in Muslim history. In the author's opinion, Shu'ubiism (sectism) was a product of the Omayyad caliphs, and, in line with the thinking of the theologians of Tunis, originated in the inequality of the non-Arab Muslims and the lack of respect towards Muslims who were not Arab. On the other hand, one is also advised to consider the ideas of the Egyptian theologians on the sharp differences of opinion on many of the theological concepts in the Koran, the source of Shu'ubiism, such as the qualities of Allah, prophethood, Afterworld, Day of Judgment and others.

In the fourth chapter, which talks about Islamic culture in the Caucasus and new religious and cultural advances, the author discusses heritage in culture and the historical memory of mankind, and demonstrates progress made in the development of economics, geography, mathematics, engineering, medicine, astronomy and the spread of education and culture along with the spread of Islam in the region. With the problems of multiculturalism, multilingualism and the worship of ancient religious remnants, the formation of Arabic, and later Persian and the Turkic languages, as the normal means of communication and scientific expression, the internationalization of science and culture in the region turned into an important factor, and the pervasive character of Islam in all of this are explained by the author with scientific competence and literary skill. As a consequence, attention was increased on the Islamic basis of the natural and social sciences. For example, experimental sciences studied nature and conquered it, but they exceeded the bounds and created an ecological danger; Islam perceived this distortion and calls for an end to human waste and for the protection of the plant and animal world which was created by Allah. There is no need to prove this by citing modern conceptions on the prevention of the global ecological threat.

In the last chapter, which is called "Islam and Contemporaneity," the author explains the situation of Islam under new historical conditions in the Caucasus, especially in Azerbaijan, especially in the years of the Soviet

government, expresses his relationship to the idea of the separation of church and state, and expresses his opinion on the effort by the state to distance religion from public life, and religion's wish to attain relative independence for itself. After explaining that at first the state nourished a liberal attitude toward religion in Azerbaijan as well as in other regions of the Union, then began the use of arbitrary action, the increase in this pressure, and subjecting the clergy to repressions, the author then discusses the revival of freedom of conscience, the reopening of the mosques, the start of activity by medreses and the Higher Islamic Institute in our republic, the election of the clergy to high government posts, the publication of religious literature and the translation of the Koran into Azeri and its publication.

The analysis of the problem of human freedom in the Middle Ages and until the beginning of the present century is given based on sources written and created by theologians in Azerbaijan. He recalls that the Koran mentions this question in Sura 64, and he defends the idea that Allah created men to be equal until the end of their lives. After bringing up citations from Koranic verses which guarantee the equality of various religions and their adherents, he states that Islam calls for a similar freedom for mankind because only one Allah rules over them.

In the sixth chapter of the book questions of war and peace in Islam, i.e., the goals of religion and political reality in the nuclear age are illuminated. In the author's opinion, Islam considers it possible to achieve peace not only through sermons, prayer and consolation, but also by means of action and effort. The author, expressing his own views on the activity of various theoretical and military establishments who are in the process of producing atomic weapons, turns to the words of the Koran—"Be merciful" and "Do not make war," talks about the well-meaning activities of organizations defending the peace which were active in the former Soviet Union, and mentions the actuality for the modern age of the Islamic slogan, "All of you advance toward peace!"

The final chapter of the book "Islam in the Caucasus" is called "Islam and Science." The fact that the author often turns to the mutual relationship between Islam and science is explained by his understanding of the extreme importance of this problem for mankind. As an example of the great importance given to science in the Koran, suffice it to say that the concept of science in its various meanings is used more than 850 times in the Koran. According to Islam there are two tiers of knowledge: relative human knowledge and the absolute knowledge of Allah. There is no contradiction between these. Allah granted man enough knowledge that he could secure his life. In the Sheykhulislam's opinion, human knowledge cannot go beyond the bounds defined by Allah.

There is no doubt that Sheykhulislam Allahshukur Pas-hazade's work "Islam in the Caucasus" is a product of serious scientific research. We have to note that, aside

from the fact that some issues are dealt with superficially (i.e., Mu'taziism) and some religious sects which existed in the Caucasus are forgotten (Babism, Bahaism), and considering some stylistic and orthographic inaccuracies, this analytical book is the first book of religious content and of a theoretical nature published in Azerbaijan in the course of the last seventy years. Up until now there have been no authors writing religious-theoretical works of high quality. Now it is a fact that the problem of freedom of conscience has been resolved positively and highly competent clergy are being trained. We wish the author, who, as we have mentioned, was awarded the Doctor of Historical Sciences, new creative successes.

Concept of Nationalism in Turkic Countries Examined

92US0818C Baku AZERBAIJAN MUELLIMI in Azeri
7 Aug 92 p 3

[Article by Yusif Seyidov: "On The Place To Use the Words 'Nationalist' and 'Subjective'"]

[Text] "Nationalist." Recently they have been trying to use this word in its positive meaning, and phrases like "We must be nationalists," "We must educate our children in the spirit of nationalism," and "One cannot create works in a nationalist spirit without being a nationalist" are being used; they have added that we must use the word "nationalist" in its positive sense. But whatever you believe in your heart and however you explain it, the word "nationalist" has not lost its negative connotation.

Love for the people, the nation, the fatherland or the mother tongue were described as nationalism during the 70-year totalitarian regime; one used it to silence people, with the objective of implementing a colonialistic policy. The Turkic-Muslim peoples were branded with these names the most and their national-cultural tradition dealt a serious blow; during the Second World War entire peoples (Tatars, Balkars, Karachays, Meskhetian Turks) were considered to be traitors and enemies, and were exiled from their native lands. Although the Azeris were threatened by such a danger, hundreds of our scientists and cultural workers who attempted to save the national traditions of our people and advocated making the Azeri language the national literary language were condemned by the name nationalist. Essentially, national thought, the national feeling, the national mentality, and love for the fatherland and the mother tongue are organic qualities and have no connection whatsoever with nationalism. It is a truth that he who does not love his own people cannot approach other people and has no respect for another people or peoples. Within the concept of the love for one's own people are humanism, love for mankind and depths of internationalism. It is true that it is not possible to be an internationalist without being national. There is no internationalism outside the national psychology. Internationalism does not mean losing one's national identity, it means to support it, emerge into the world relying on it, viewing everyone as a human being no matter what their national origin, considering others.

As for nationalism, it is a national limitation, it means to separate oneself from others, to be isolated. Nationalism leads to chauvinism, a lack of appreciation for others, holding oneself above others, causes one people to oppose another people. There is the idea that if one speaks of the unworthiness of certain individuals, it is to say an entire people is bad; one cannot separate one people from another by means of good and bad friends. In principle, this idea causes no protest. With this, however, there are serious differences between peoples of various kinds, but one should not see the positive and negative aspects of these differences. If those who write about the Turkic and Armenian peoples historically, and if they speak about the faithfulness, respect and heroism of one, and the treasonable nature, disrespectful qualities and cowardice of the other, one cannot but consider this an accidental and non-objective instance. There are interesting comparisons taken from authoritative sources in B. L. Velichko's book "Kavkaz." For example, a German diplomat who worked in Turkey for a long time writes: If one approaches a people straightforwardly, he respects and loves the Turks, looks askance at Greeks, and curses and despises the Armenians. Or a well-known businessman says: If I make an agreement with a Turk in connection with a job, I have no need for a written contract because his word is sufficient. I sign written contracts with Greeks or other middlemen, because with them it is necessary; as for Armenians, even if it is written, I can do nothing because their intrigues and lies cannot be prevented.

V. L. Velichko notes that such negative opinions about the Armenians are not baseless; otherwise, such observations would not have come out about entire peoples over different timespans.

These and other similar negative attributes are because the Armenians have no single ethnic background. The blood of various tribes and nations flows in their veins. This impeded the creation of a unified national psychology and their development as a nation in the pure sense of the word. This is related to other characteristics like accommodating to every circumstance, entering another's skin, and the ability to change their name and clothing like chameleons. There is a disease called the "Armenian disease." This disease gathers momentum among the Armenians from time to time and when it occurs it happens to all Armenians of the world. The idea of "Greater Armenia" is born of this disease. The matter has reached such a point that they have fallen into the fantasy that Armenian should be used as an international language through the UN. It is also strange that they later begin to believe these fantasies themselves. A joke comes to mind: A molla climbs a mountain and cries that they are stealing watermelons in such and such a place. They are putting them in sacks and running away. The molla, seeing this, thinks that they are in fact stealing watermelons, so he grabs a sack and follows them.

The cadging mentality among this people is very strong. From ancient times they have lacked a land of their own; because of this lack of a fatherland, they have neither a

dependence on the land nor love for the fatherland. The idea that "wherever the weather is good, that is the fatherland" reigns supreme. Despite the oppressive rule of the Soviet regime, the Armenians never ceased their emigration movement. Disregarding the soil of others is an idea tied to this lack of a fatherland. No matter how hard the "Armenian intellectuals" try, they cannot emerge from the bog of history and, as a consequence, they are making things difficult for another people. We have used the expression Armenian intellectuals because if we exclude the prominent "Armenian" intellectuals who were born in Armenian families who have Azeri neighbors and acquaintances in the Armenian Republic, one can say that all the scholars, politicians, artists and military men of Armenian parentage who are scattered throughout various countries of the world have been raised in another national environment.

Falsifying history is like holding water in your hand. One either believes or does not believe this falsification; the falsification will either create a feeling of antipathy or not; for them it has no importance. Let four or five naive people believe that the Armenians are a people rich in history, possess a rich culture and vast lands. Although in essence they have none of these.

Like a coin has two sides, flattery and cruelty are among the greatest characteristics of Armenians: humble and self-abasing before the powerful, they suck the blood from the weak. Twentieth-century history provides facts enough for this. The present generation of Azeris bears living witness to the atrocities committed by the Armenians against our people since 1988. It was the same in 1905 and 1918. And remember it was the same in 1937.

Thus one can say on the basis of the example of one or two peoples that there is a great difference psychologically, intellectually and morally between historical units of human groups. Thus, since the ethical-psychological position of certain individuals in the family, locality or on the job is different, various opinions, positive and negative, which differentiate people from one another historically, also form. Since these opinions are made from an objective viewpoint, they cannot be condemned as nationalistic in tendency.

"Subjective." This speech form has become stylish: "In my subjective opinion..." Here the word "subjective" is used inappropriately. A speaker adds the word "subjective" to "in my opinion" mistakenly and, without knowing it, has demonstrated that is opinion is subjective, meaning it is not correct, does not correspond to the truth and is a lie. But this does not disturb him. There is a nuance of denial in "subjective." It is illogical that a person who is speaking would declare beforehand that the opinion he is going to express does not correspond to the truth.

One can use this word with regard to the opinion of another. At the 22 July meeting of the Azerbaijan High Council, Isa Gemberov responded to a speech by Rehim Gazyyev by saying: This is a subjective opinion of Mr.

Rehim. Rehim Bey thought this over and replied: No, I am speaking objectively. The debate is logical.

What we are saying is that one cannot say "in my subjective opinion" in place of "in my opinion. The second mistake is that if it is used, they do not mean the same thing. The meaning of the first is I am thinking about the question. In this case the speaker leaves no room for doubt that his opinion corresponds to the truth, but does not attempt to present the correctness of his

opinion in the absolute sense. As for the second, he declares right out that I am giving a non-objective opinion.

During a normal conversation the use of inappropriate words or phrases is nothing to be feared. In this case the debaters understand each other, and when they do not understand, they ask in order to get the right idea. In official speeches, monologues, especially in diplomatic talks, such mistakes can lead to unfortunate results. Thus, it is necessary to approach the use of a word in a text and consider that behind what is said rests a meaning or an idea.

ESTONIA

Bankruptcy Law Analyzed

92UN2180A Tallinn ARIPAEV in Estonian
10 Sep 92 p 22

[Article by Helmut Pikmets: "Bankruptcy Law"]

[Text] The Bankruptcy Law of the State of Estonia went into effect on September 1. It is possible that, even before the end of the year, it will be followed by a big wave of bankruptcies, which would certainly help straighten out economic relations and facilitate the privatization of state enterprises that have become insolvent.

The media has, on several occasions, published commentary on the bankruptcy law in a more general sense (see Prof. Paul Varul's commentary in ARIPAEV No. 61), and the text of the bankruptcy law released by the consulting firm of Fides, along with commentary from Prof. Varul and Finnish lawyer Jukka Peltonen, is expected to be published soon. In this article, I would like to focus on the trustee as the central figure in bankruptcy cases, who is the person actually in charge of bankruptcy proceedings. Who can be a trustee, how is the trustee approved, and what are the major obligations of a trustee?

Requirements for, and Approval of a Trustee

As stipulated by the bankruptcy law, a trustee's knowledge and experience must correspond to the task to be carried out (Bankruptcy Law paragraph 29). According to the resolution implementing the bankruptcy law, the government will have to determine the qualification requirements for trustees, and to arrange for their preparation. As of now, the government has not yet met this requirement. Thus, it will be up to the court to decide what kind of a person will be suitable to be a trustee. After the bankruptcy proceedings have been initiated, the court will appoint a temporary trustee, who would have to have given his or her previous consent (Paragraph 29, Section 1).

The temporary trustee prepares for the review of a bankruptcy case. For that, at the request of the court, the trustee will establish all the assets of the debtor, determine their value, and specify the nature and the basis of the debtor's liabilities. The trustee is authorized to request from the bank or some other organization, information about the financial and business activities of the debtor.

The trustee will have to arrange for freezing the assets of the debtor and for making the lien entry in the property registry, if so determined by the court. These tasks will have to be accomplished before the bankruptcy case is reviewed. The resolution declaring the debtor bankrupt, will also name the trustee, usually a temporary one. The trustee will be approved by the general meeting of creditors, because the trustee, in addition to the confidence of the court, must also have the confidence of the

creditors. According to the law (Paragraph 29, Section 2), a trustee could not be someone close to the debtor. A trustee should also not be a legal professional in the service of the debtor or a creditor, but an independent legal counsel or lawyer. It will have to be a member of the legal profession because some tasks, like recovery and determining the claims of creditors, require knowledge of the civil law.

The trustee reports to the general meeting of creditors and to the court, and his or her activity is controlled directly by the bankruptcy committee (Paragraph 28).

Responsibilities of a Trustee

Establishing the extent of debts and assets. Once the trustee has been approved by the general meeting of creditors, he or she will start putting together a bankruptcy fund (collecting the debtor's assets from third parties, submitting claims for recovery, etc).

The trustee has the choice of meeting the debtor's obligations or refraining from doing so (Paragraph 22). A person with a valid claim against the debtor would certainly want to find out if his or her claim is going to be honored by the trustee.

The court will have to set a deadline for the trustee to respond, which should not be any later than 20 days from the time the application was submitted. Creditors, even those whose claims are not yet due, will have to submit their claims to the trustee within two months from the day the bankruptcy notice was published in the newspaper. Any claims submitted after that, will be given the lowest priority.

A creditor's claim guaranteed by a bond should not be submitted to the trustee. If the claim is bigger than the bond issued to guarantee it, the creditor should let the trustee know within the same time period. All claims submitted to the trustee will have to be accompanied by documentary evidence and described accurately (amount, nature, basis, etc.).

When calculating the amount of the claim, the creditor must keep in mind that all interest and late charges will be waived from the day bankruptcy is declared. After the two-month period mentioned before, the trustee will have to give the creditors 10 more days to correct any possible deficiencies. If this is not done, the claim will be taken under consideration, but will be satisfied after the claims that were submitted before the deadline (Paragraph 69).

The general assembly of creditors can, however, pass a resolution stating that the claim was submitted by the deadline, which is not very likely, because in this case the creditors would have to forego a certain portion of the total in favor of the claim that was moved up. The trustee has to check all claims and present his or her objections by the seventh day, at the latest, before the meeting set for defending the claims. In addition to creditors, all persons in possession of any of the debtor's

assets will have to notify the trustee of this fact within two months of the day the bankruptcy notice appears in the newspapers. All transactions completed after the bankruptcy notice was published are void, regardless of whether the person involved knew, or did not know about the debtor's bankruptcy. By the same token, any person having obligations to the debtor, will have to continue living up to them.

Continuing and Closing Down Operations of an Enterprise

In case an enterprise goes bankrupt, the management of operations and the administration of the debtor's assets will be turned over to the trustee. At the first general meeting of creditors, the trustee will have to submit a report on the financial condition of the enterprise, its balance sheet, and a plan for either continuing or closing down its operations. The enterprise will be liquidated by the end of the bankruptcy proceedings, at the latest (Paragraph 57).

Assembling the Bankruptcy Fund

The bankruptcy fund is made up of the debtor's assets. Recovering assets is of central importance in assembling the bankruptcy fund. It is quite possible that in our situation, where assets of an enterprise have been lost illegally, recovering one's assets can make up the bulk of bankruptcy proceedings. The trustee is authorized to start a court case for voiding any transactions (Paragraph 42), which have deliberately harmed the financial condition of the debtor, and which have, according to the bankruptcy law, the nature of a gift.

The trustee has one year (Paragraph 42, Section 3) to take the matter to court. Besides claiming conflict with the bankruptcy law, the trustee can also demand that certain transactions be voided because they are in conflict with the civil legislation currently in effect.

In addition to recovering, the trustee also has to return (release) the assets of other persons held by the debtor (Paragraph 53). Within three months from declaring bankruptcy in court, the trustee will submit a report on aforementioned activity to the bankruptcy committee and to all creditors who want it.

Selling the Debtor's Assets

If creditors do not pass a resolution to continue the operations of the enterprise, the trustee will promptly start selling off the debtor's assets, to pay off the creditors' claims.

The trustee cannot sell the debtor's assets, if the debtor has appealed the bankruptcy resolution. The most popular means of selling off the debtor's assets is an auction, but the debtor's assets can also be sold to some investor in their entirety, which may bring down the price of the assets, but would certainly speed up paying off the claims, and help to make the privatization of state enterprises less painful.

Arranging for the Protection of Claims

Should it turn out that the bankruptcy fund is not sufficient to pay off the low priority claims, the trustee will have to call a meeting to protect the claims. This should be decided within 15 days after the last claim is submitted. The time and the place for the meeting to protect claims will be determined by the trustee. The meeting will have to take place at least one month, and not more than two months after the last day of submitting claims. The trustee must announce the meeting in the newspaper at least 15 days in advance, pointing out where one can learn more about filing and contesting claims.

The debtor or the creditors can submit their objections at least seven days before the meeting to protect claims. There, the claims will be reviewed in the order they were received by the trustee, and their extent of recognition and priority ranking determined. The claim is considered recognized, if it is not contested by the trustee or any of the creditors. If the claim has been reviewed and recognized at the meeting, and based on correct data, the meeting's decision becomes final. If the meeting to protect claims does not recognize a claim or somebody contests it, the dispute will be settled in court, where the person contesting the claim will be the respondent in the case.

Preparing a Proposal for Distribution

Within 10 days after the last meeting to protect claims has taken place, the trustee has to submit, to the court and to the bankruptcy committee, a proposal for distribution, which will list all claims, the share of each creditor, and information about money received from the sale of bankruptcy assets (Paragraph 81). The trustee will add an administration report to the distribution proposal. The trustee will also have to run a notice in the newspaper, specifying where, and for how long the distribution proposal can be examined, and objections submitted (Paragraph 81, Section 4). The court will either approve the distribution proposal, or refrain from approving it, if it violates the rights of the debtor or the creditors. In the latter case, the trustee will have to submit a new proposal within 10 days from the time the decree was issued.

Approval of the distribution proposal is also one of the basic elements needed to conclude the bankruptcy proceedings. Once the proposal has been approved, the trustee will start making payments to creditors out of the bankruptcy fund, according to the priority ranking of claims stipulated by the bankruptcy law. After the bankruptcy proceedings have been completed, the court will release the trustee from his or her duties, provided the creditors' claims have been paid off according to the distribution proposal, and no more money is due to the debtor. If, however, assets continue to come into the bankruptcy fund, the trustee will sell off the assets and pay the creditors according to the distribution proposal. If bankruptcy proceedings are not completed within a

year, the trustee is obligated to make a presentation to the court on how to complete the proceedings.

The trustee is to continue making these presentations every six months until the bankruptcy proceedings are completed.

Central Bank Warns of Devaluation, Economic Crisis

93UN0023D Tallinn THE BALTIC INDEPENDENT
in English 25 Sep 92 p 4

[Text] In the most serious clash between central bank and government in the kroon's three-month history, the Bank of Estonia warned of a devaluation and economic catastrophe if the authorities went ahead with their decision on September 18 to raise the minimum wage to 300 kroons (about US\$25).

In a statement issued on September 19, the bank's board called on the Monetary Reform Committee (which oversaw the re-introduction of the kroon) to intervene "in the interest of the nation".

The government denied the charged and counter-attacked, accusing the bank of meddling in politics in the final days of the election campaign.

The bank had predicted dire consequences for Estonia's economy, including massive bankruptcies, growing unemployment, price inflation and the devaluation of the kroon if the government promises a raise it cannot pay for.

"We cannot take seriously the appeal of the Bank of Estonia directly before the elections," the Economics Ministry said in a statement released on September 22. It called the central bank's appeal "economically unsubstantiated".

It was the first time in the three-month history of the kroon that the board of the central bank openly challenged government policy. Like its counterparts in the United States, Germany and Sweden, the bank operates independently of the government.

The raise agreed to by the government in negotiations with unions requires 104 million kroons this year, but only 80 million kroons are in the budget for raising salaries.

But that does not take into account the extra revenue raised by the 18 percent Value Added Tax due to inflation, Minister of Labor Arvo Kuddo said.

The Economics Ministry's statement says that 235 million kroons are "frozen" in stocks of goods that cannot be sold. Releasing money to consumers would allow them to buy the goods which in turn would bring in revenue, it argues. The Ministry's calculations also attempt to show that the budget can be balanced in any case because the agreement only raises the minimum

salary and the bottom eight salary scales. It will not increase the wages of the 24 higher scales.

The September 18 decision actually represented a tightening of policy on the part of the government of Prime Minister Tiit Vahi, because it postpones the one hundred kroon rise in the minimum wage until October 1, from the previously announced September 1. Also, the lowest pensions will only be 60 percent of the minimum wage, not 90 percent, as had been announced on September 11.

This all occurred against the backdrop of radical changes in Estonia's governing institutions. The September 20 elections, the first free balloting in more than half a century, have most likely swept a right-of-center coalition into power. A new center-right government could refuse outright to endorse the raise, thus threatening a confrontation with the labor unions.

Or, if it were so inclined, it could ignore the central bank's advice completely, challenging the power of that body.

Whatever the result, the confrontation will set an important precedent regarding the independence of the Estonian central bank and its role in the country's fiscal policy.

Foreign Minister Visits Secret Russian Base

93UN0023B Tallinn THE BALTIC INDEPENDENT
in English 25 Sep 92 p 3

[Text] Believing his reputation as a colorless Swedish businessman, Estonia's foreign minister Jaan Manitski mounted a nice publicity coup on September 19, when he appeared at a pre-election press conference bearing a purloined souvenir from the secret Russian nuclear base of Paldiski.

The Russian authorities had refused Mr Manitski to visit the base, which was leased to the Kremlin by the Estonian authorities, under intense pressure, shortly before the Soviet annexation. But in recent weeks several environmental activists and journalists have managed to enter the territory (which includes a military town once holding more than 10,000 Soviet military personnel). Mr Manitski's souvenir is a posterboard bearing instructions for Soviet soldiers about how they should properly wear their uniforms.

Referring to the two-month gap between the Russian authorities denial of his last request, and his recent visit, he said "the period of transition is over now. Paldiski must become a normal place again. I did not ask for permission now and I will not do so in the future."

Mr Manitski, never normally seen without a suit, hurried back from his visit to appear 20 minutes late at the press conference, clad in casual clothes.

There were at least two nuclear reactors in Paldiski, he said, which posed a great danger not only to Estonia, but to the whole Baltic Sea region.

Estonian Border Crossings Viewed

93UN0023A Tallinn THE BALTIC INDEPENDENT
in English 25 Sep 92 p 3

[Text] More than 2.2 million people have crossed the Estonian border since July 1, when the entry visa requirement was introduced, according to General Director of the Border Department Andrus Oovel. Twelve thousand people have been denied entry to Estonia because they lacked the necessary documents.

Mr Oovel said his department had registered 143 instances when the Russian army had crossed the border illegally. Despite the shortage of border guards—there are 1,100 guards while the actual need is 3,048—the entire border is under control, he maintained. However, he said illegal crossings were “a daily occurrence” on the Narva River despite patrols by three Russian and one Estonian boat.

Estonia urgently needed legislation to punish illegal border crossing, Mr Oovel stressed.

Prospects for Northeast Sector Considered

92UN2181A Tallinn KAUBALEHT in Estonian
September 1992 p 24

[Article by Andres Lill: “Eastern Virumaa Could Surprise the World With Shock Tourism”]

[Text] Eastern Virumaa is undoubtedly our richest region, and also the unhappiest. Normally, riches should bring about well-being, but this rule does not apply to eastern Virumaa. For decades, it has been a place characterized by barbaric taking. If this part of the country ever received anything, it was something that would further encourage the taking and help along with the robbery. For its electricity, chemical products and building materials, eastern Virumaa has been rewarded with mountains of ashes, a polluted environment and social tensions.

Does Estonia Need an Atomic Power Plant?

When meeting with eastern Virumaa's district elder Mart Marits and environmental consultant Antti Roose, the conversation quickly turned to the atomic power plant. They are absolutely certain that the burning of oil shale will have to be stopped. The only alternative to the present thermal power plants is a nuclear power plant.

A. Lill: “But a nuclear plant would be very dangerous to all of Estonia.”

They: “We are already in the network of nuclear stations using Russian technology. The highly powerful Ignalina nuclear center is located just outside of Narva, the Finnish Lovisa is very close to us, and the Lithuanian nuclear plant also poses a great threat to Estonia.”

“It was explained to me that if Estonia would put up a nuclear plant based on Western technology then, with proper behavior, the nuclear danger in Estonia would

not be increased. The real danger comes from the stations mentioned above. Secondly, it is a waste to be burning oil shale which is a unique source material for the chemical industry. And thirdly, thermal power plants pose a serious global hazard: The greenhouse effect, which is helped along vigorously by these plants, can lead to the point where all life on the planet will disappear. This was recently discussed at length at the environmental and development conference at Rio de Janeiro.

Northeastern Estonia Is the Favorite Haunt for the Greens

The district elder and the environmental consultant said that almost every week one can see curious greens from just about every wealthy country in the world coming to the Jõhvi area. Most of the time they are there to wave naive slogans along the lines that pollution is a bad thing.

Most of the proposals for environmental protection have been limited to talk, some of them have been put in writing, and then tabled. It is very seldom things proceed to the point where a proposal is about to materialize, but the inevitable ending is that money does not get to where it's needed.

Mart Marits thinks that greens are very nice people, whose sincere recommendations cannot be used in everyday life. It is obvious that humanity cannot go back to living in a cave. The talk of the greens would be so much more convincing if they could set an example and give up the comforts of civilization: Like living for a year in a cave of their own making, and feeding on worms and mollusks. They are not convincing, however, circling the globe in ships and planes, and drinkin... their beer out of tin cans.

Environmental Situation Improving Thanks to Economic Plight

The pollution load in northeastern Estonia is diminishing. The reason is that all of production is decreasing steadily. District people take it as a good sign, in some sense, but production should not be declining at the same rate, because that would make life questionable altogether. There should be a limit, somewhere, that would make it optimal for eastern Virumaa. If indiscriminate waste could be stopped, there would be no need to do that much mining, or produce that much energy, the way it has been done up until now.

Antti Roose has participated in the preparation of several environmental protection proposals relying on foreign aid. The saddest thing to him is that the monetary aid coming from donor nations is egocentric in its nature. The wishes of the local people remain just that, as money is dispensed primarily with an eye on the economic and political goals of the donor nation. Another disadvantage is that foreign aid always has to come from Tallinn, and is handled by some high placed official. What this means, however, is that this money may have a hard time reaching its destination.

Power to the Parish!

Sweet as power may be, many of the areas formerly handled by the district administration have been relinquished to the authority, regulation and accountability of the parish. Compared to the earlier times of executive committees, the district management has shrunk several-fold.

Mart Marits: "I am seen as a district elder hostile to culture, because I closed down the department of culture. The point is that, in my opinion, one cannot manage the cultural life of Avinurme out of Jõhvi. The district also lacks a department of agriculture. I am an agronomist by profession, and it is quite clear to me that it is pointless to command and regulate agricultural activity out of the district office. The transfer of power to the parish can, for the time being, also create a power vacuum: Some parishes are still waiting to receive some kinds of orders from the district office. On the other hand, there are parishes that have overstepped their authority: By giving companies all kinds of orders in business matters, just the way it was done during the stagnation period. One parish, for example, ordered a company to supply the people of the township with free water. This is not the way to do things. Any business activity would have to be based on a bilateral agreement.

District's Own Computer Network To Be Formed

The district helps parishes implement reforms, provides legal help, and acts as an advisor to the parish, whenever needed.

Integration of the district calls for a fast and accurate system of gathering and processing information. A district network of computers will be created for that purpose. Two thirds of the expenditures have already been made. The integrated system is linked to all kinds of registers, as well as tax and statistical information. The district government is also hooked up to a modern system, connecting it to all parts of the world.

Bus Park Monopoly Resolved

The people of eastern Virumaa are still a long way from being totally satisfied with their bus lines, but some requirements for improving the work of the lines have already been met. Earlier, all of the lines were served by the local state bus park that requested huge grants from the district that were based on figures picked out of the blue.

After some prolonged bumbling and a test of wills, we have managed to break the state monopoly, and several lines are already served by private companies. Competition has had a good effect on bus traffic. Now it is the rider who is beginning to take center stage in the bus industry. After all, it is the wallet and the wishes of the rider that determine bus traffic, and not the narrow interests of the bus park.

We Need Books Out of the Library, Not Methods

Earlier, a library employee's energies were spent mainly on reporting and following directives on procedures. That made up the bulk of the activity, with little time left for the real task. Now, the libraries of the eastern Virumaa district have been given a free hand. At Jõhvi, librarians no longer have to give account of their work. The local people and parish leaders will know soon enough if the librarian cannot, or would not do his or her job properly. The only thing left for the district to figure out would be how to buy books from Tallinn or somewhere else in Estonia, and how to get them to the location. These are the functions that would be too costly for the libraries to handle individually.

Market Economy Mastered Within a Month

The industrial potential of northeastern Estonia is considerable. All we need is getting the economy on a sensible track, and there will be enough money and means not only for people, but also for protecting the polluted environment. Unfortunately, no favorable changes have been noted, so far.

I asked a Sillamae engineer, who prefers to remain anonymous, if there are any fresh winds blowing there.

"The winds here are blowing mostly from the sea, and these don't have the slightest influence on the leadership at the factory. All we hear is demands for land and money, the implication being that, given those, we can really do things! Actually, there is not enough work to go around for all of the people here. A lot of valuable production space is standing idle. The leadership is not capable of any economic thinking and, what can you expect, when an inarticulate director spends a month studying marketing abroad, and comes back thinking he knows it all. Privatization and western capital are the only things needed to make a go of the goldmines here. As long as we still have leaders of the stagnation period taking up office space, nothing good is going to happen."

Boats and Tubs Out of Fiber Glass

Times have been very favorable recently for all kinds of business activity. Money has come and gone easily. There were few of those who were capable, willing or daring enough to invest in production. The Intak corporation did take a risk and built a heated facility measuring 450 cubic meters in the parish of Illaku for building boats made out of fiber glass. Nice-looking tubs are also made for bathrooms and plans call for the production of water rollers. All of that out of fiber glass, which is a completely new material for Estonia.

Intakt's production is not very widely known, because the enterprise is still young, but fiber glass is apparently selling well on the Estonian market, too. Six sea cutters have also been sold on the discriminating Swedish market. These guys know how to build boats!

Besides Intak, there are many other corporations in eastern Virumaa who are producing diligently, and thanks to whom the district has gained hundreds of new jobs. I ran into a very energetic entrepreneur at one of the district offices, who has pulled off some near-miracles over the last two or three years. Most of his holdings are at Laagna, right outside of Narva. With their red brick roofs easily discernible from the Tallinn-Narva highway.

Said Dmitri Melkov, director of the Prooba corporation: "I have been looking for a spot along the Tallinn-Narva highway where I could build a really nice resort, the kind to which we wouldn't be ashamed to invite tourists coming from the West. I was not allowed to start my operations anywhere. Finally, I found this spot on the edge of an overgrown gravel pit. I was extremely happy once I left all the paperwork behind me."

Roofing is already in place for the main building of the resort (the first floor holds the restaurant and the conference hall, the second floor a dozen or more of smaller rooms, and a full basement accommodating a billiard room, and much more); eight small houses, a sauna, a kettle building, a workshop with a garage, and a superb vegetable storage. This citadel can accommodate somewhere around a hundred tourists.

The resort has been brought to this point by Dmitri Melkov's own construction brigade. There is still a lot of investing to be done, before a profit could be made. Now, that most of the work has been completed, and results can be seen from far away, Dmitri Melkov is still looking for companions who would dare to invest their money in the enterprise. The first stage of the resort is scheduled to become operational this year.

Tourism To Bring Livelihood to Many

Enn Kais, the district's tourist advisor, is enthusiastic about the resort. Nice resorts are also sprouting elsewhere. Enn Kais has the task of getting a bureau of tourism going as soon as possible, which would tie up all the loose ends relating to tourism, and start developing contemporary tourism in Virumaa. Enn Kais: "Tourism is a fallow field in our neck of the woods. Even with the meager means we have today, we could sell unique itineraries to hundreds of Westerners greens and environmental tourists.

"Swedish experts regard these parts to be one of Estonia's most versatile tourist regions. This is where you can find the limestone bluffs of the beach at Ontika, many interesting swamps and bogs, the Kurtina watershed with its 40 lakes, close to 40 km of beautiful sand beach along Lake Peipus, the forests of Alutaguse, the Cloister of Puhitsa, Narva, together with its fortresses, the Toll family estate at Kukruse, etc. It is also here, where next to the incomparable scenery and beautiful architectural ensembles, you can find a badly polluted environment.

"It is contrasts like this that appeal to the tourists, and shock tourism is very popular in the West.

"By developing tourism, we can also keep alive resorts of those enterprises which, at this low point of the economy, tend to go empty and fall into disrepair. With my bureau of tourism, I have to create interest in tourists among the local people, and arrange for the introduction of the district's landmarks in the developed countries, where tourism is very fashionable. In northeastern Estonia, opportunities still abound for tourism because, as of yet, there is no competition. It is a field, however, that can bring a decent profit for a relatively small investment."

The Toll Family Estate Waiting for Investments

For several years, restauration has been going on at the Kukruse estate, but now the district is out of money and that is why a competition has been called for those, who would like to complete the work according to their own business ideas. The beautiful and complete estate complex also includes 8 hectares of land to be used at the winner's discretion.

The location of the estate is very convenient and beautiful. The conditions set for the future owner by the district are quite favorable, so that whoever is interested, should contact the district (on telephone number 2 23 52) before September 15.

As the result of surface digging for oil shale, approximately 9,000 hectares of land have been spoiled. In the subterranean mining areas, surface drops of up to 2 meters have been noted. Large areas are full of mining waste, forming artificial lakes and mounds of ashes left behind by power plants and the chemical processing of oil shale. Considered to be Europe's most polluted river, the Purtse carries to the Baltic Sea roughly 300 tonnes of phenoles a year. Such contrasts between the fiendish and the divine have made a Mecca for shock-seeking tourists out of eastern Virumaa.

Narva Separatists Rally

92UN2190E Riga THE BALTIC OBSERVER
in English 17-23 Sep 92 pp 1, 8

[Unattributed report: "Narva: Hot Spot of the Baltics"]

[Text] A deteriorating economy and rising unemployment has fueled discontent among the predominantly Russian population of Estonia's eastern border regions. On September 15, approximately 800 Narva residents held a meeting (indoors, due to that evening's rain) to discuss the independence of Narva from Estonia, or at least, economic sovereignty.

Many wore blue ribbons pinned to their lapels, a sign of support for a campaign begun earlier this month by the Union of Russian Citizens in Narva. (The blue is common to both the Estonian and Russian flags.) According to Latvian journalist Maris Mednis, the atmosphere was tense, but there were no incidents.

"The participants were for the most part pensioners adorned with Soviet medals, and middle-aged workers who were nervous about their economic survival," he said.

Most speeches centered on the future status of the city, where many face unemployment due to economic restructuring and the breaking of ties with neighboring Russia. (Narva's enterprises are not only dependent on Russian raw materials, but also produce goods of such poor quality that they are no longer marketable even in the East.)

The volatile subject of citizenship was also addressed. Currently, only 5,000 of the over 100,000 residents of Narva are eligible to vote in the upcoming September 20 parliamentary elections. This is because most of them are post-war immigrants who, according to most ethnic Estonians (and official government policy) entered Estonia "illegally" at a time when the country was occupied by the Soviets.

The opportunity to take a public stand on this issue was too tempting to resist for several parliamentary candidates, whose campaign speeches centered on the fact that the current government had [according to these hopefuls] cheated Narva's residents by not protecting their human rights or interests. No government or parliamentary representatives were present.

The rally's organizers circulated petitions to gather support for a referendum on the declaration of Narva as a sovereign economic zone. This issue is to be discussed at a meeting of the Narva City Council on September 17.

Moscow-Run Plant Successfully Reorients Production

93UN0023C Tallinn THE BALTIC INDEPENDENT
in English 25 Sep 92 p 11

[Text] The Moscow-run military plant Dvigatel, which until August last year was a nest of Russian communist hardliners opposing the restoration of Estonian independence, has successfully oriented its production to civilian needs under its new director, Vladimir Galkin.

Unlike most other Russian market-oriented factories in Estonia, Dvigatel has increased its production nearly 1.5 times this year, mostly by expanding exports to the West. The share of production sold in Estonia is 20 percent, up from practically zero a year ago. Mr Galkin attributed most of the success to good partners in the West, making special mention of the Swedish firm Scanweld which also conducts market research for them.

"Known before last year's failed coup as the flagship of the hardline strike movement, Dvigatel of today is rapidly becoming the flagship of Estonian economic development," said Prime Minister Tiit Vahi, who visited the plant on September 22.

LITHUANIA

Poll Finds No Party With 'Decisive' Pre-election Edge

92UN2101A Moscow ROSSIYSKAYA GAZETA
in Russian 15 Sep 92 p 7

[Article by Yuriy Stroganov from Vilnius: "Unanimity Has Been Replaced by Other Extreme"]

[Text] The data of sociological polls conducted in Lithuania show that the republic is expecting an exacerbation of a struggle for power and this is quite natural on the eve of the elections to the new Supreme Council which will now be called according to the prewar name of Seimas. But also that no movement or party in Lithuania has a decisive advantage over the others.

Approximate equality of the forces is observed even in how the persons polled consider their political orientation: 16 percent consider themselves leftist, 23 percent rightist, 27 percent in the center and 34 percent undecided. The number of persons dissatisfied with the situation in the republic has already surpassed 50 percent.

"The election campaign will be conducted without the observance of rules and extremely roughly," was the confident opinion of the Chairman of the Liberals Union of Lithuania, V. Radzvilas.

The advantage can be with the side which offers the republic a more acceptable emergence from the economic stalemate. Incidentally, precisely economic problems were named as the main ones by 72 percent of those polled. The right which has been joined by the new Prime Minister of the Republic A. Abisala, could hope for success. Their plus is the sobriety of views and the calmness of the head of the Cabinet of Ministers and which now includes (to the welcoming cries of the left) as Vice Premier, B. Lubys who prior to this worked as the director of the Azotas Enterprise which was very well known at one time in the Soviet Union. But the new Cabinet of Ministers has had no time to show what it can actually do. Moreover, B. Lubys has predicted that Lithuania can expect approximately a five-fold increase in the prices for energy resources and this will be reflected in all the prices in the republic. Clearly, in such a situation, the best chances will exist for those politicians who will help the voters see the light at the end of the tunnel.

Here there is no counting the forecasts. Some assume that the working economists from the left and the pragmatic leader of the Democratic Labor Party, A. Brazauskas, know the secrets for escaping from the slump. Others feel that the uncompromisingness of the extreme right is the only solution for quickly overcoming the difficulties and entering the Western market. A third group is convinced of the need for compromise. But the figures indicate that in measurable terms no political movement has a real influence on the public's mind.

At present only some 8 percent of the voters would vote for the once-popular Sajudis. The Democratic Labor Party would receive even less, some 7 percent. As for the rest, there is nothing to be said...

If it is considered that some 60 percent of those polled see the future in dark hues and fear it, the conclusion emerges that for victory in the elections, unusual actions are required. The way out is not only in seeking out constructive proposals which, as the political practices of other countries show, are far from always implemented, but in the joining of the forces of similar-spirited parties and movements.

In truth, it is not so simple to bring together even like-thinkers into blocs and coalitions. From the era of unanimity among the politicians, they have rushed to the other extreme. For example, the same Liberals Union which is a rightist force cannot support either the extreme right or the left and, in the opinion of its chairman, should establish its coalition with the liberal forces...

In the estimates of sociologists, the distribution of seats in the future Seimas could be approximately as follows: 30 percent for the extreme right and right, 24 percent for the left and 46 percent for the centrists.

And this means that no political force is capable of leading the republic along its proposed path. Such a situation is fraught either with harsh political struggle, the constant blocking of mutually unacceptable decisions or generally by a political explosion with hard-to-predict consequences, if some side risks taking radical actions. In any event, there will be social dissatisfaction.

However, there is one way which possibly will be chosen by the cautious Lithuanian politicians and this is the way of harmony and compromise. Under the condition that the people, in voting for their candidates, will judge not their political orientation but rather the reasonableness, professionalism and sobriety of the view.

As of now, about 20 parties and movements have announced their intention to participate in the elections for the Seimas. The territory of Lithuania has been divided into 71 single-candidate electoral districts. Each of these includes not more than two rayons. Around 15,000 Lithuanian citizens residing abroad will participate in the elections, but they will not have a separate district. The elections to the Seimas will become a very important testing for the republic which has chosen the thorny path of moving to freedom. In paraphrasing the well-known expression, it can be said that whatever the result, the people of Lithuania will obtain the Seimas that they deserve...

'Unfavorable' Ratings for Democratic Labor Party

93P50008 Vilnius LIETUVOS AIDAS in Lithuanian
19 Sep 92 p 4

[Article by Kestutis Zickus: "Even TIESA Readers Don't Like the LDDP"]

[Text] Yesterday's TIESA published a summary of readers' answers to the newspaper's questionnaire. This is not a precise sociological survey, but one can form an opinion from it about the attitudes of TIESA's most active readers (over 10,000 responded). The responses are not very favorable for the Lithuanian Democratic Labor Party (LDDP).

Seventy-seven percent of those responding to the questionnaire indicated that they have made up their minds about how they would vote in the elections: 77 percent will vote "for the party of A. Brazauskas," and only 9 percent would like to vote for the joint LDDP and LSDP (Lithuanian Socialist Democratic Party) candidate list, which the leaders of both parties were reluctant to draw up.

Of the 25 most popular public figures selected by the readers the first was A. Brazauskas (90.1 percent), second—K. Antanavicius (74.6 percent), third—E. Vilkas (31.6 percent). The popularity of the remaining people on the list was considerably lower. V. Petkevicius (6.7 percent) was last.

Brazauskas was also the most popular (94+) according to the rating scale (from +100 to -100). There were no other positively rated LDDP activists included there. The following lineup forms behind the leader of the LDDP: K. Antanavicius (+85), E. Vilkas (+67), A. Sakalas (+59), R. Paulauskas (+58), R. Ozolas (+53), A. Ambrazavicius (+51), E. Klumbys (+48) and K. Motieka (+45), that is, two social democrats, a liberal, three "progressives" and two "centrists." The most unpopular among TIESA readers was A. Svarinskas (-92), Z. Slicyte (-91) and V. Landsbergis (-77).

Thus, the LDDP's sole support is Brazauskas. TIESA was truly reformed in time "on the basis of liberal and social democratic thought," and "conflict of opposites and unity" and made use of intelligently. And, understandably, the "national progress" and "center" activists must be congratulated on having at last found "their social layer."

Good luck in dividing up the election districts!

State of Lithuania's Foreign Relations Reviewed

92UN2120A Vilnius ATGIMIMAS in Lithuanian
31 Aug 92 p 5

[Article by Bronius Kuzmickas: "Seeking Clarity With Neighbors"]

[Text] Except for the relations with Latvia, Lithuania's relations with its neighbors are rather undetermined, in many ways unclear and not easy. Lack of clarity and difficulty are evenly distributed. Relations with Poland were never smooth and easy for us, but I could not say that they were not clear. The clarity is such that, basing ourselves in the past, we can foresee what difficulties and problems may arise for us vis-a-vis this neighbor. Relations with Belarus are good at present, but nobody knows

how they will develop tomorrow. It is not clear what kind of a state this neighbor of ours will be and how it will shape its historic and territorial identity. But the least clear of our neighbors is the Kaliningrad, or Karaliaucius, area, the former East Prussia, for Lithuanians always Lithuania Minor. The legal foundation of this area's state dependence and its future status are unclear; one does not know in which direction its inhabitants' political consciousness will develop.

At present, the Karaliaucius area is becoming the object of interest to quite a few states. There are no doubts that Russia will try to keep this land as part of its state, but it is doubtful if it alone will be able to ensure its economic wellbeing. It is questionable if the inhabitants there, understanding all that, will always want to remain subordinated to distant Moscow, while Western influences are becoming stronger all around it.

The representatives of Germany miss no opportunity to state that they have no political interests in this land, but they are paying it increasing attention and are expanding economic and other connections. This is done not without Russia's silent agreement. There is no doubt that Germany's influence on the fate of former East Prussia will go on increasing.

The third interested state is Poland. We have not heard any more specific expressions of its interest in that land, but there are enough indications that Poland would very much like to have the greatest possible influence there. Such a desire is part of a sufficiently clear striving by Poland to play a significant role in the region of the countries of the Baltic Sea. But Poland has nothing much to offer in the economic sphere, although it is trying hard. By the way, Poland's prime minister H. Suchocka is scheduled to visit Kaliningrad early in September, where she should meet with J. Gaidar.

Belarus is also not indifferent about the future of the Kaliningrad region as it seeks avenues to East Europe and tries rapidly to expand contacts with Germany. As it is known, Belarus has established good diplomatic and transit relations with Poland. Should Belarus, in expanding its transit, try to resolve the questions of its transit with the West in bypassing Lithuania, that would not be a favorable circumstance for us, especially since Lithuania cannot in any way abandon transit through Belarus. So far the city of Karaliaucius (Kaliningrad) and its area are part of the region of cooperation of the countries of the Baltic Sea as part of Russia, but it nevertheless attracts the interest of the Scandinavian countries, especially of Denmark and Sweden.

This is roughly the web of interests in whose context Lithuania, too, must formulate and, within the limits of possibilities, realize its interests in Lithuania Minor. Lithuania must assure for itself a place at a conference table on the future of this land, if such talks were to be organized.

The interested countries are not indifferent to Lithuania's views concerning that land. Quite a few times I had

to satisfy the curiosity of the German, Polish and Scandinavian politicians on that question. Let us recall the reverberations of the recent statement by Lithuania's ambassador in the United States, Mr. S. Lozoraitis. But the responses to the real or alleged expression of Lithuania's interests frequently are far away from the truth. These responses usually oscillate between the extremes: it is asserted that either Lithuania wants to annex the Karaliaucius (Kaliningrad) region unconditionally, or that Klaipeda (Memel) could be attached to that region. It is no wonder that such things are heard from the East. The author of this article heard M. Gorbachev himself state: "...if you are separating yourselves completely, we shall slap our paw on Klaipeda." It is amazing that some people have heard similar suggestions in the West as well.

As we begin to talk more broadly about Lithuania's views on the Karaliaucius (Kaliningrad) region a subject we may also have to raise in the international forums, we should consider at least three kinds of arguments. I would roughly describe them as a) ethnic historical; b) juridical; and c) geopolitical.

a) The fact that Lithuania Minor was a land of Lithuanians and Prussians, hence a portion of ethnic Lithuania and the cradle of Lithuanian written language, is for us a self-evident argument of primary importance. From the historic point of view, this was ethnic Lithuanian territory although considerably colonized and germanized by the Germans. However, this argument may not appear very important to the politicians of other countries. Of course, when the Klaipeda territory was retrieved, its Lithuanian character was one of the main, although not the only arguments in Lithuania's favor. But today we can speak of the Lithuanian or Baltic character of the Karaliaucius (Kaliningrad) region only in the historical sense, and this is clearly insufficient when matters of the future are being decided. Nevertheless, this is not a completely weak argument—well reasoned out, it must always be kept on hand. It is irreplaceable when we seek to restore and preserve the monuments of Lithuanian culture and history. In part, it can be effective when we make efforts to preserve the national rights of the Lithuanians who are living there. We should not forget that neither the Poles nor the Russians can use this argument to bolster their interests or their rights to the Karaliaucius (Kaliningrad) territory, although both have tried to do so.

The protests of the Lithuanians of Lithuania Minor, who have fled from their land, against its handing over of to the USSR should also be a significant argument.

b) The legal argument is especially significant at the present time. I shall discuss it more extensively

The history of Lithuania has developed in such a way that the entire territory of Lithuania Minor has never been, in fact or in law, part of the state of Lithuania. For centuries Lithuanian in the ethnic sense, Lithuania

Minor was German in the sense of state control. Therefore we are unable to support the argument of ethnic historicity with the argument of state historicity.

However, Russia also does not have this kind of argument in its favor. Neither does it have a right to Lithuania Minor that is based on a historic tradition of statehood, because it had never belonged to czarist Russia. The territory of Karaliaucius (Kaliningrad) has in fact become part of the Soviet Union only since the end of World War II, but the legal foundation of this dependence has not been conclusively determined until now.

At the Teheran conference (28 November-1 December 1943) Stalin managed to reach an agreement with Roosevelt and Churchill to the effect that at the end of the war the city and the surrounding territory of Karaliaucius (Kaliningrad) would be given to the Soviet Union as its war booty and a compensation for the damages it has suffered during the war. Following the unconditional surrender of Germany, which was signed at 11:01 pm on 8 May 1945, the sovereignty of the state of Germany was briefly taken over by the joint Control Council of the Allies—USA, Great Britain, France and the USSR. Allied sovereignty in Germany meant that, in addition to other things, they could also decide on the question of Germany's territory and borders. Their decision was that, in determining Germany's new borders, the point of departure should be the borders prior to the beginning of Hitler's aggression, i.e., up to 31 December 1937. On the basis of this decision, the 1939 treaty between Lithuania and Germany became invalid and Klaipeda (Memel) legally returned to Lithuania. (This contradicts M. Gorbachev's assertion that at the end of the war Klaipeda (Memel) was assigned to the Soviet Union on the same grounds as the Karaliaucius (Kaliningrad) region and as a part of that region, and that only Stalin in his generosity had transferred Klaipeda (Memel) to the Lithuanian USSR. Therefore now, when Lithuania is no more a "SSSR," Klaipeda (Memel) should be joined to the Kaliningrad (Memel) region as a former part of East Prussia.)

The allies continued to discuss the questions of determining Germany's borders in the Potsdam, or Berlin, conference (17 July-2 August 1945). The agreements of 2 August fixed Germany's western border along the Oder and Neisse and approved the proposal of the USSR Government that the city of Karaliaucius (Kaliningrad) and its surrounding territory should be transferred to the Soviet Union, simultaneously outlining the borders between the USSR and Poland that would divide East Prussia. (Some believe that at Stalin's behest Poland was given a larger portion of East Prussia as a compensation for the loss of "eastern territories," although Poland had expressed its desire to absorb the entire East Prussia.) In April 1946, the Government of the Soviet Union transferred the Karaliaucius (Kaliningrad) region to the RSFSR and it was given the name of the Kaliningrad region. This was the beginning of the russification of the region's place names and its colonization.

Of essential importance is the fact that the Potsdam agreement did not include a final resolution of the question of whom the Karaliaucius (Kaliningrad) region did actually belong. It was decided to hand over the city of Karaliaucius (Kaliningrad) and the adjacent territory to the Soviet Union "up to the very final solution of the territorial questions through their peaceful adjustment." Thus the question of to whom this region belongs is still to be ultimately resolved when a peace treaty between Germany and the former Allies would be signed. This would probably be done at a special peace conference. It is true that the Potsdam agreement says that during the final adjustment of the territorial questions, the U.S. president and the prime minister of Great Britain would support the proposal of the latter conference on the transfer of Karaliaucius (Kaliningrad). But a conference for that final adjustment has not yet taken place and it could not take place as long as Germany was divided.

It is important to note that the former Democratic Republic of Germany had never signed any document recognizing the legality of attaching the Karaliaucius (Kaliningrad) region to the Soviet Union, although it had signed documents with Poland on the inviolability of borders. In 1970, the Federal Republic of Germany signed the Moscow Treaty with the USSR, recognizing the inviolability of the postwar borders, but already then a question arose if that German state can represent the whole future united Germany.

So, according to the Potsdam treaty, the Karaliaucius (Kaliningrad) land was given to the Soviet Union which was supposed to administrate it until the future peaceful adjustment or until the conference. Without the solutions of that conference, the present subordination of this land to Russia cannot be considered as finally settled in the legal sense. The right to administration is not equivalent to the legalization of annexation, subordination *de facto* does not become subordination *de jure*. There is more than one case in history when a certain territory had been administered by another state but this did not lead to its annexation.

Now, following Germany's unification, we should probably expect the final regulation of Germany's territorial questions as provided for in the Potsdam agreements. By the way, united Germany has declared that it has no territorial claims concerning its neighbors. Should a conference on these questions take place—and that, doubtlessly, will very much depend on Germany—Russia would support its position with the promise given by the Allies in Potsdam to resolve the question of the Karaliaucius (Kaliningrad) land in favor of the Soviet Union, and with the Helsinki agreement on the inviolability of borders. The argument of the so-called right of prescription would also be important, although there is no united opinion on its application in international law. The geopolitical situation of the region would rather be in disfavor of Russia. The opinion of the region's inhabitants could be a significant argument, but then the question would arise which inhabitants should decide

the land's fate—the old ones, who have been evacuated or deported; their descendants; or the newcomers?

c) Lithuania's interests regarding Karaliaucius (Kalinin-grad) area could be successfully based on geopolitical arguments. The area is linked to Lithuania by broad economic ties and depends on Lithuania for many things. Lithuania is linked with that area by the Nemunas River and by the Courish Lagoon. Lithuania is interested in having an ecologically tidy and economically progressive neighbor. Lithuania is also vitally interested to be safe from the side of the Karaliaucius (Kalinin-grad) area, but it cannot be safe if Russia's army continues to be stationed there and its units would continue using our roads, too. Such arguments are usually well understood by politicians.

Chief Assesses Future of Volunteer Defense Service

92UN2105A Vilnius LIETUVOS AIDAS in Lithuanian 15 Aug 92 p 4

[Interview with Jonas Gecas, chief of staff of Lithuania's Volunteer National Defense Service, by Lina Baltrukonyte: "We Serve the State of Lithuania"]

[Text] *The Volunteer National Defense Service (SKAT) is now in its second year. An all-republic SKAT conference is being organized for a second time already. When we talked with SKAT chief of staff, Lieutenant Colonel Jonas Gecas, there were two days left until the volunteers' meeting and the carousel of preparations for the event was already turning full speed.*

[Baltrukonyte] What are now the vital issues for the volunteers; what are the SKAT problems on the eve of the conference; what is the purpose of this event?

[Gecas] The conference will start on 15 August. Such events as this one take place twice a year. They attract representatives from all the sub-units of the service—from five to six hundred people. This is the second such conference. The first one took place in February of this year. It was planned to have the next conference in September, but the date was moved closer because of certain events in Lithuania and owing to individual volunteer statements in the press. The event is organized by the order of the chief of staff. The participants will be the representatives from all companies, from among the team leaders and the ten representatives of the headquarters for the republic. The purpose of the conference is to analyze the SKAT activity during the last eight months, to discuss problems, and to define the principles underlying our activity during the pre-election period. Internal questions will also be discussed: military preparation, supplies, the country's territorial defense, assistance to the police in the maintenance of public order and in the elimination of the results of natural disasters. Prior to the conference, these questions were discussed within the companies and proposals were formulated. They will be delivered by the representatives of the companies.

Chairman of Lithuania's Supreme Council V. Landsbergis, Prime Minister A. Abisala, Minister of National Defense A. Butkevicius, Chairman of the Lithuanian Supreme Council's commission on National Defense and Internal Affairs S. Peceliunas, and deputies of the volunteers were invited to participate in the conference. Representatives of the Riflemen's, Political Prisoners' and Deportee associations and other organizations will take part as guests. We will try to reduce emotionalism, empty phrases and unnecessary political exercises at the conference. It must be a self-critical, concrete conversation about our problems, shortcomings in our work, and the prospects for the future. The conference, of course, has no right to give orders or to instruct, but merely to advise.

[Baltrukonyte] Will the question of SKAT's separation from the Ministry of National Defense be discussed at the conference?

[Gecas] The relationship between the volunteer service and the ministry was already discussed at that February conference. A resolution was adopted there, voicing the desire that SKAT should be subordinated to the chairman of the Lithuanian Supreme Council and, once the presidency is established, to the president of Lithuania. This resolution was supported by the absolute majority of the volunteers. This attitude has survived and, it seems, it will be repeated at the approaching conference in one form or another. However, these resolutions or statements do not have the power of the law. They merely express the volunteers' point of view. The question of subordination can be decided by the Parliament (in the future, the Seimas) by way of law. At this time, in accordance with the law of 17 January 1991 the volunteer service is subordinated to the minister of national defense and will remain subordinated to him until the law is changed.

[Baltrukonyte] Still quite recently, the volunteer service was guarding Lithuania's power plants and similar objects. They are no more charged with this task. What is SKAT doing now?

[Gecas] Our first duty is to act as cover for the military units. Here we work together with the border guards and the Iron Wolf team. Forty-four volunteer posts are active on the roads and near Russian military units. We check military vehicles and we try to prevent the import of soldier into Lithuania.

We are also taking care of the military units that were taken over and are still without leaders or the leaders are incapable of keeping guard over them. Our functions also include the fighting of fires. As of late, our help in this endeavor was required every day. We also guard buildings and installations, according to contracts with enterprises and organizations.

[Baltrukonyte] And the service's internal affairs?

[Gecas] Our most important task at present is to attain the maximum amount of discipline and order so that

SKAT would become a well managed and disciplined military structure. We use various means to achieve this purpose—from education to expulsion. During the recent months, 28 permanent employees and 605 volunteers were expelled for violations of discipline and order. Military training is another important undertaking. About 150 volunteers are now receiving training at the volunteer training center in Alytus, and by the end of the year their number will rise to 250. Commanders of various ranks are being trained in Vilnius. One hundred nine of them were awarded the ranks of non-commissioned officers in the Lithuanian army. Now platoon commanders are receiving the training. The chief training, of course, takes place within the platoons and companies all over Lithuania.

One more task is to draft the plans for territorial defense and mobilization, which the volunteers will follow during crises or in case of war.

We are paying much attention to cultural and athletic activities. The second volunteer tournament took place on 4-5 July. The volunteer ensemble has toured Sweden and Norway. The orchestra received an invitation to France, to take part in a military music festival. Various activities are developed within the companies. Operation "The Soldiers' Graves" has been going for several months. The volunteers are helping to find and register graves of partisans and soldiers of all nationalities. The graves will be taken care of and tended. So we have an infinite amount of work and concerns.

[Baltrukonyte] Are there sufficient material, financial resources for all this activity, both internal and external?

[Gecas] This year, 152 million rubles were allotted for the volunteer service. We received one half of this sum—76 million rubles—during the first half of this year. However, the Government has entrusted us with the guarding of power plants and similar installations, which made it necessary to invite around one thousand volunteers, but no additional funds were allotted. Therefore we were short of money and were even late in paying salaries. The situation should improve in the second half of the year. Yet, SKAT is poorly supplied with material necessities: we are short of uniforms, weapons, means of transport, and implements. There has been progress in the supply of armaments and uniforms.

[Baltrukonyte] The volunteer service has been active already for a year and a half. What is in place in Lithuania's life? What conclusions can we draw from this period?

[Gecas] The service has grown and become stronger during this time. At present it is one of the strongest military structures; it is active in the entire country and it is influencing the environment. We have proven that we are able to mobilize a large number of people efficiently, to command sub-units, and to solve quite a few important problems.

The service did not remain unnoticed. It is an irritant for those who would like to foment disorder in Lithuania, to destabilize the situation, or even to turn back to Soviet Lithuania. That is why strenuous efforts are being made to discredit the volunteer service, to inflate the transgressions of individual volunteers in the press, radio and television, and to foment distrust with their commanders. On the other hand, SKAT is already regarded as a force that can influence the state's political life. We are taking care of the first problem, while the second one remains topical now and in the future.

SKAT is a military structure, operating in accordance with Lithuania's laws, established to defend the state, the legally elected Parliament and the Government from external and internal aggression, from attempts to change the existing order by force. Therefore the volunteer service cannot be influenced by a single party or movement. Each volunteer is a citizen of Lithuania and has the right to take an active part in Lithuania's political life. More than that: the volunteers are among the most active citizens of Lithuania. They proved that already in 1990-1991 when they were not afraid to put on a military uniform, while the OMON was raging and Lithuania's independence was not yet recognized. Hiding one's civic position today would be naive and senseless. It is a different matter, however, when we speak about the service as a military structure. It has been depoliticized and it cannot be a representative of any specific political force. It represents all of Lithuania.

Vice Premier Assesses Food, Energy Situation

92UN2163A Vilnius LIETUVOS RYTAS in Lithuanian
21 Aug 92 p 1

[Article by Virgaudas Gudas: "Bread and Warmth"]

[Text] "This is how deputy prime minister Bronislovas Lubys, speaking at the press conference yesterday, described the most important tasks facing the Government at present. He said that there was an infinite number of labors, but priority is given to the task to supply Lithuania with energy resources and with grain. For instance, the Government received a cable from the natural gas suppliers in Russia, saying that the supply of gas would be reduced beginning 20 August, and completely halted on the 25th if Lithuania fails to agree with the prices they are dictating.

However, the Government of Lithuania is sticking to its position that it would negotiate not with the suppliers but with Russia's Government, since the quantity and the price of natural gas allotted for Lithuania were coordinated with that Government. Also, there is not a single document signed by the Russian Government, demanding new prices. A direct contact with the acting head of the Russian government, Jegor Gaidar, is being sought.

Nevertheless, plans are being made (B. Lubys emphasized several times that this was only a project and that the numbers may change) to raise the prices for energy—

natural gas, electric power, heat, etc.—five times. These prices will be still five times smaller than those founded on economic realities. With this rise in prices, the inhabitants of a single apartment would have to pay from 15,000 to 20,000 rubles more for the abovementioned services. (According to the Ministry of Energy data, it would amount to about 3,000 rubles per month during the heating season). Even in such a case, the Government will have to cover the difference in prices with a subsidy of ca. 3-4 billion rubles. It appears that the subsidies will be given only to the socially needy people.

Speaking about bread supplies, the deputy prime minister said that the Bank of Lithuania has transmitted credit funds to the Government. Although they are almost non-existent, the bank still managed to find 6 million rubles that will be used to purchase agricultural supplies. All in all, about 15 billion rubles will be needed to liquidate the results of the drought.

B. Lubys informed that, according to the data at his disposal, about 130,000-140,000 tons of grain have been bought up in Lithuania at this time (statistics are mentioning larger quantities). The two increases of prices for the buying up of grain are also not much help. The farmers are probably waiting for the litas and are facing other problems.

Discussion of social problems also took up much time at the conference. B. Lubys reported that two days ago the Government adopted the decision to increase the salaries of the budgetary office employees by 24 percent. The directors of other enterprises and organizations may do same if, of course, it is within the realm of their possibilities. Nevertheless, in B. Lubys opinion, the unavoidable salary freeze is approaching. It should be linked with the introduction of litas, but prior to that the Ministry of Social Welfare should review and evaluate the social guarantees.

Administrative-Territorial Local Government Reform Principles

92UN2163B Vilnius LIETUVOS AIDAS in Lithuanian Aug 92 p 10

[Text of document: "The Most Important Principles of the Realization of the Administrative-Territorial and Local Government Reform by the Republic of Lithuania"]

[Text] 1. Two levels of state administrative-territorial units are being formed: the first level (with local self-government)—small rural districts or cities, the second level (with the administrative institutions of state government)—districts.

2. The small rural districts are formed by joining the town and village residential localities into a single administrative-territorial unit. The large cities are separate administrative-territorial units.

3. Ten districts will be formed from all small rural districts and the large cities: Alytus, Kaun Klaipeda, Marijampole, Panevezys, Siauliai, Taurage, Telsiai, Utena and Vilnius, with 84 rural districts.

The second (alterantive) variant—16 districts: Vilnius, Klaipeda, Siauliai, Utena, Kaunas, Marijampole, Panevezys, Taurage, Svencionys, Alytus, Raseiniai, Mazeikiai, Kedainiai, Varene, Telsiai and Birzai, with 123 small rural districts.

4. A one level local self-government system is foreseen in the Republic of Lithuania. Assemblies of the inhabitants' representatives are directly elected in the small rural districts. These assemblies elect the chief of the rural district from their own members and establish other administrative institutions as provided by the law.

5. Corresponding administrative institutions of the state government are formed in the districts under the leadership of a district administrator who is appointed by the Government of the Republic of Lithuania. The law may provide for a consultative institution—the Council of the Chiefs of the Small Rural Districts.

6. The law must regulate the procedure of the elections of the representatives of the inhabitants of the small rural districts and of the formation of their executive power, as well as the relationship between the local executive power and the executive power of the Republic of Lithuania and of the district.

7. For the performance of the functions of state importance in the district, a system of territorial sub-units of the state power is created, by precisely determining the functions of these sub-units as well as their competence and relations with the district administrator and the central organs of branch administration and the rural district self-governments.

8. The most important activities of the rural districts and cities are:

8.1 planning and administering the rural district and the city budgets;

8.2 constructing and operating local communal and apartment buildings, and organizing of all the communal services;

8.3 founding and maintainance of cultural installations of rural district significance;

8.4 founding and maintenance of rural district health care institutions;

8.5 founding and maintenance of rural district institutions of general education and training;

8.6 support and care of the aged and the invalids, founding and maintenance of boarding houses, children's homes, boarding schools;

8.7 organizing public works, solving problems of providing people with work;

8.8 developing the economy of the rural district, erecting buildings, taking care of the environment and supervising it, as well as solving other matters assigned by law and normative acts.

9. The most important district activities are:

9.1 organizing, coordinating and controlling the regional work of law enforcement, national defense, social welfare and health care and the activities of other institutions of state power;

9.2 carrying out the state economic and social policies in the region;

9.3 maintenance and development of the district communications networks, hospitals, polyclinics, cultural and educational institutions and objects of communal economy;

9.4 solving other problems of state activity assigned to the district jurisdiction by other laws and normative acts.

The key principles of the administrative-territorial and self-government reform have been approved by the Government and it is planned to submit them to the Supreme Council for deliberation. They were formed after a long deliberation by specialists, the appropriate services of self-governments and the Government.

Why were these principles of reform chosen? In the opinion of specialists, this is the optimal variant for the division of the country's territory and the creation of an effective system of self-government in the present stage of our statehood. The existing multi-stage system of self-government has not justified itself. The presently existing self-governments of districts, settlements and cities under the rayon jurisdiction are unable to resolve autonomously the economic, social and other state and social matters that have been assigned to them. In the artificially established previous command system of territorial administration (mechanically titled a system of self-government) quite a few contradictions arise. Moreover, if we compare these arrangements with the present practices of the countries of the world in this field as well as with the prewar experience of our state, Lithuania has very many administrative-territorial units—584 (11 cities of the republic, 44 rayons, 81 towns under rayon jurisdiction, 22 settlements and 426 smallest territorial divisions). Those smallest administrative units, just as the territorial and self-government units, essentially based themselves on the social foundation and the territory of the former kolkhozes and sovkhoses. As the agricultural reform advances, new legal and administrative-territorial relationships are formed. Because of these and other reasons, the now existing administrative-territorial and self-government units cannot be effective both with regard to self-government and administration by state government. As we seek to coordinate both these conditioning circumstances, a formation of two levels of territorial-administrative governance is proposed: the

small rural district with self-government and the district with the administrative institutions of state power.

Together with these principles, two alternative variants of the administrative-territorial division of Lithuania are proposed. The first provides for the formation of 84 rural districts and 10 districts, the second one—123 small rural districts and 16 districts.

The precise and detailed boundaries of these small rural districts and districts will be formed when the reform principles are approved, with due consideration of the economic computations, the experts' conclusions, the rayon infrastructure, and of the existing boundaries of the smallest administrative units, without disrupting the boundaries of those who use the land. Moreover, as stated in the Government decision being made public now, attention must also be paid to the geographic, ethnographic and ecological integrity of the regions.

We believe that the public will submit proposals concerning the basic principles of the reform and its realization.

Lithuania's Former KGB Chief Recalls Career

92UN2106A Vilnius LIETUVOS RYTAS in Lithuanian 18 Aug 92 p 7

[Interview with R. Marcinkus, former KGB chief of Lithuania, by Valdas Bartasevicius: "Former Lithuanian KGB Chief R. Marcinkus: 'If You Were a Cynic, You Could Gather as Many KGB Agents as You Want'"]

[Text] [Bartasevicius] So, you were not in Lithuania on the eve of the referendum...

[Marcinkus] On the same day when this fabrication was broadcast by "Panorama," my relatives called me at 10 pm and started reproaching me for not visiting them while I was staying in Vilnius. At first I thought this was some kind of a jest, but soon I understood that it was not just an innocent matter since the news was aired by the Government information bureau. I started thinking—who will profit from this? My so-called visit to Lithuania could have been determined only by colleagues from the special services that are watching the Northern Town.

[Bartasevicius] But if you were not there, you could have been spotted by anybody who knows the recipe for Munchhausen's cuisine—how to bag a duck so that it instantly falls into place all baked.

[Marcinkus] One would like to believe that perhaps this was just a straight error, maybe someone saw somebody who looked very much like me. This fabrication was reprinted by NEZAVISIMAYA GAZETA. My coworkers at the "Balchag" firm, who met me in the office every day—and I could find about a hundred such witnesses—were kidding me: how do you manage to be in Moscow and in Lithuania at the same time. I thought that I should take this matter to the courts. But then came a news report that some kind of a disclaimer was

published. Nevertheless, this is a very unpleasant story for me. For more than a half year I have had no connections of any kind with the security service, I am working in the private sector, but now a suspicion has been flung at me that I am still carrying out some tasks of the special services. It appears that none of the branches of government have even tried to find out how much truth there was in that report. Perhaps nobody even needs truth?

[Bartasevicius] Were you offended because that report characterizes you as Lithuania's potential enemy?

[Marcinkus] For 10 months I was in charge of an organization that is not considered friendly to Lithuania. Yet I tried to maneuver in a way so that the KGB would at least avoid conflicts with Lithuania's government. Our status at that time was very vague, a mood of waiting prevailed, and I sought to ensure that the security committee did as little harm as possible to the processes of the restoration of independence.

I arrived in Lithuania on 5 March 1990, and a couple of weeks later I was invited to see V. Landsbergis. Our conversation proceeded in a very tolerant fashion. I had a chance to talk to some deputies as well as to M. Laurinkus who was in charge of the corresponding structures in Lithuania. On the eve of 13 January, feeling that the situation was already beyond my control and I could not influence it, I resigned.

[Bartasevicius] I heard that M. Burokevicius did not trust you very much.

[Marcinkus] The first thing I did upon my arrival in Vilnius was to make sure that the KGB party organization did not become subordinated to the so-called LKP of the "night." This very much displeased M. Burokevicius who had lost many members and thus an important lever to influence us. We were transferred to the purview of the Baltic border military district in Riga and, from the party point of view, became completely independent from the local activists. I was very much unwilling to be placed under a double command. It was a lesser evil if the instructions would come only from Moscow. Our salaries were paid from the center and it was not so easy for the people to toss everything aside and to start their lives anew. Moreover, at that time Moscow was not demanding very much from us. As we waited to see how the events would develop, we simply wanted to preserve the very structure of security.

[Bartasevicius] Did you really refrain from any activity associated with your agency?

[Marcinkus] All Moscow was asking from us was information about what was happening in Lithuania.

[Bartasevicius] Did you not try to influence the events directly? Perhaps Moscow was using other channels of influence?

[Marcinkus] I knew perfectly well that, as the customary saying goes, many things were done above our heads.

Military counterintelligence, border intelligence, the SUCP structures were all active. The latter were particularly eager to provide Moscow with their own information. There were cases when the center would ask us to check one or other report, which—as it was immediately clear—was totally out of step with reality. Knowing that we had not sent such a report, I could easily guess who had produced it.

[Bartasevicius] When did you get the distinct feeling that M. Burokevicius did not trust you?

[Marcinkus] On the eve of 13 January, M. Burokevicius asked me bluntly: on whose side are you, chairman? I responded that I shall guide myself only by the instructions of the Moscow leadership and by my own consciousness. This did not satisfy him and he tried to influence me as a party operator and I could not judge the situation the same way as he did. After this conversation, our already rare contacts ceased completely. He was in more frequent contact with my deputy Tsaplin (Caplinas). When the people from Moscow would come visiting, they would first see him and would call at the chairman's office only when they were unable to avoid it.

[Bartasevicius] The relations between you and S. Tsaplin must have been tense.

[Marcinkus] I will not go as far as to say that there was an open conflict between us. He had been working in Lithuania for a much longer time, and was much better acquainted with the local conditions, while I, having come from an agency of a different type, was not very well acquainted with the specifics of internal service.

[Bartasevicius] Until then you had worked as a department head in an intelligence agency, which previously was headed for many years by V. Kryuchkov and, perhaps, O. Kalugin?

[Marcinkus] V. Kryuchkov was for a long time deputy chairman of the committee (KGB) and chief of our supreme agency. You cannot even imagine what kind of a state within a state it is. The supreme agency was composed of agencies, and these—of departments, and institutes. When I returned to Moscow from abroad in 1984, after a more than 6-year tour of duty, I worked as one of the three deputy departments chiefs, later as a department chief, but in another agency than O. Kalugin. He was in charge of a kind of cleansing operation: he tried to find out what the other side knew about our activity.

[Bartasevicius] Did Tsaplin treat you as a front man?

[Marcinkus] Not only he, but a large part of the other executives in the committee (KGB). But I understood that if I was sitting in this kind of a chair and if I wanted to control our structure at least to some extent, then I had to obtain information. There were always people in the committee who would keep me informed and whom I could trust.

[Bartasevicius] Was the internal split in the committee a result of psychological confusion?

[Marcinkus] The split in the committee had occurred even before I was appointed chairman and the parting of the ways was more along the national lines. Some employees had already left the committee (KGB), justifying their step by saying that they disagreed with the methods of work and the nature of information that was being sent to Moscow. Some of these people even went over to the corresponding Lithuanian services.

[Bartasevicius] What was the ratio of nationalities within the committee and how many people did work in it?

[Marcinkus] About 60 percent of the people employed by the system were Lithuanians, while in the central apparatus they were about one half of the total personnel. The security service was composed of over one thousand officers, plus a large auxiliary apparatus.

[Bartasevicius] You are probably well informed about the KGB agency-type work in Lithuania. The people here were convinced that one could not make a move without stepping on a KGB agent. Is that correct?

[Marcinkus] No special service cannot operate without a network of agents. One cannot do without helpers, because an official operator cannot receive any information, especially the kind that interests him. However, as far as I can see, this work in Lithuania was not done in a professional manner. Someone could be considered our helper without suspecting it himself. He would sometimes meet with our operators and have a chat, but it did not even occur to him that he was already registered in the committee's (KGB) documents.

[Bartasevicius] Who needed such tactics?

[Marcinkus] In this agency, as anywhere else, performance was evaluated according to a quantitative criterion: the more helpers one had, the better one's performance. And what could you do when you did not manage to find them? The solution to this problem was similar to that used in the poultry farms—you just added a thousand or two more chickens on the lists...

[Bartasevicius] So did the KGB add a thousand or more agents?

[Marcinkus] This used to happen... But today it is no longer funny. Moreover, when some report is discovered now, I would not dare to assert that all that text was narrated by the person to whom these words are attributed. He may have stated only 15 to 20 percent of what the member of the staff wrote down. The latter could add a lot delving into his "general education."

[Bartasevicius] Is it worthwhile to publish lists of people who had cooperated with the KGB?

[Marcinkus] This is a process without any clearcut ending. It will not end in a year or two. If the lists of KGB helpers are published, we shall not avoid a terrible

noise, many tragedies. So much has accumulated during those fifty years that such an information would merely incite society, set brother against brother, neighbors would stop greeting one another. In a large country people who have wronged one another simply part their ways and never meet again, but Lithuania is small and there is nowhere to hide.

Of course, when a person who has seriously cooperated with the KGB tries to elbow his way into the political Olympus, the situation becomes a different one. Such a person should himself renounce any claims to a minister's or deputy's post. The society should simply know that in a case of need, an investigation could be launched and certain people could be unmasked. But it is not worth publishing the lists of these special services.

[Bartasevicius] Would such lists be extensive?

[Marcinkus] I imagine that they would be very extensive.

[Bartasevicius] Your answer was very diplomatic, as if you were some outsider.

[Marcinkus] Having arrived in Lithuania, I managed the first department, inspection and the headquarters, but I am unable to say anything concrete about the agency activity. I shall confess that I tried to avoid any deeper involvement in that sphere because I did not want to burden my conscience. Moreover, when I arrived in Lithuania, hardly any lists and documents were left in Vilnius.

[Bartasevicius] If this is so, how then do the names of concrete individuals emerge and what about the talk about the lists of agents?

[Marcinkus] In addition to the official register, there are also archives and documents prepared by individual operators of various departments. They would make several copies of the information they had collected, indicate the helper's case number, his pseudonym, and then sign it themselves. A report of this kind makes it possible to identify the source of information even when the personal file is unavailable. Of course, in most cases these documents are not originals but duplicates.

[Bartasevicius] In mass meetings one could hear the following version of the events: Sajudis was deliberately created by the KGB. Sometimes there is even a tendency to think that everything that was done, for instance, by V. Cepaitis or K. Prunskiene had been earlier suggested almost in your office.

[Marcinkus] Trust me, I really did not create Sajudis. In those times I did not even work in Lithuania. At one of the meetings, when I had already arrived in Vilnius, a sub-unit chief was complaining indignantly about how events were allowed to develop in such a way. I answered in jest: "Fellows, you went to those meetings, you elected the deputies, so please do not blame me." As for the version you have mentioned, I can listen to it only as a

joke. If one were to take it seriously, then it would appear that the security service was mainly interested in destroying the USSR.

[Bartasevicius] Those who believe this version tend to think that, on the contrary, the KGB used its henchmen in Sajudis to try to hinder the real fighters.

[Marcinkus] Why should not people shout such things in mass meetings if that suits their needs, especially since one knows that the crowd readily believes in plots. It is very convenient to stick a label of cooperation with the KGB on your rivals—in the present situation such a blow is more painful.

[Bartasevicius] Might the campaign of de-KGBization at least undermine the activity of such an agency in the future.

[Marcinkus] No doubt, it is possible to create such an atmosphere in the society that people will be afraid even to stir. But the unmasking may have an even opposite effect. People who are driven into the corner and have nothing to lose any longer may be convenient objects for manipulation by such individuals who are deliberately trying to do harm.

[Bartasevicius] What do you think of V. Cepaitis' case?

[Marcinkus] I was not interested in the concrete names of our helpers. While working in Vilnius, I did not receive any agency-type information from the Supreme Council. Even if some kind of "Juozas," or somebody else, was active there, he did not supply any valuable information. I do not think that it would have been withheld from me. But if one wanted to find out what was going on in the Supreme Council, it was not really necessary to establish the agency's presence among the deputies. Their discussions and conversations would be very quickly disseminated among the people outside. Moreover, one could find out a lot even by analyzing radio broadcasts from the auditorium where the sessions took place. A small group of our operators were simply made to listen to the radio. By the way, in accordance with the USSR laws and our official instructions, we had no right to recruit informers in the highest government structures: in the Ministers' Council, the Supreme Council and the party's Central Committee.

[Bartasevicius] And such principles were strictly observed?

[Marcinkus] Of course, there are no rules without exceptions.

[Bartasevicius] In the earlier times would the KGB have been able to recruit someone like the Secretary of the Central Committee of the Lithuanian Communist Party?

[Marcinkus] This was simply impossible. Nobody would sanction the recruitment of a person on such a level. After all, following Stalin's death the party was in command of the KGB, and not the other way round.

[Bartasevicius] Does this mean that a more likely suspect of cooperation with the KGB would have been some liberal professor rather than a high-ranking party functionary?

[Marcinkus] It was, no doubt, simpler to recruit a professor.

[Bartasevicius] The situation is probably similar in all East European countries, as for instance in East Germany?

[Marcinkus] As far as I know, the outlook for agency activity within party bodies was more favorable in East Germany. Meanwhile, our security officers were not able to use the cover of a party worker.

[Bartasevicius] You were, of course, allowed to use the diplomatic cover?

[Marcinkus] A diplomatic cover is simply imperative in intelligence work. Special services in the entire world are using this method of work. When B. Pankin, as USSR minister of foreign affairs, promised to chase all KGB operators from embassies, he made an unrealistic statement.

[Bartasevicius] A resident is also involved in diplomatic work?

[Marcinkus] Yes.

[Bartasevicius] Were you a resident while working in Germany?

[Marcinkus] No, I was only his assistant.

[Bartasevicius] You have evaluated the agency's work in Lithuania rather sceptically. Could it be that you were influenced by Germany's example?

[Marcinkus] I realized how much toil and sweat it takes in order to find a genuine source of information and how much effort is necessary to keep the contacts secret. If you were a cynic, you could recruit as many agents in Lithuania as you wanted. But only try to persuade an official in a democratic country to cooperate with you when his salary is probably ten times bigger than your own.

END OF

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